

HONG KONG FILES

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Chief Executive: Unleashing economic potential is key

The Government will focus on promoting economic development as a foundation for overcoming challenges in the society and unleashing Hong Kong's full potential.

The Chief Executive, Mr C Y Leung, stated this in his second Policy Address on January 15, 2014.

He said, "Hong Kong needs sustained economic growth to address issues such as poverty, housing, an ageing society, environmental protection and the upward mobility of our young people."

"We should capitalize on, consolidate and enhance our existing advantages, strengthen co-operation with the Mainland and overseas economies in every aspect, and foster diversity and robust growth in our industries."

Key initiatives in this regard include:

- To develop an East Lantau Metropolis, a core business district in addition to Central and Kowloon East, and to establish a Lantau Development Advisory Committee to formulate the economic and social development strategy;
- To develop "bridgehead economy" at the artificial island site of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities;
- To set up a new statutory maritime body to develop Hong Kong's competitive edge for high value-added maritime services; and
- To consider increasing the number of Hong Kong Economic and Trade Offices in Asia.

Entitled "Support the Needy, Let Youth Flourish, Unleash Hong Kong's Potential", the Policy Address sets out major initiatives to tackle poverty and support people in need, nurture young people through education, employment and whole-person development and underpin Hong Kong's economic future.

Other key initiatives in the Policy Address include:

- A Low-income Working Family Allowance to benefit more than 200 000 low-income families with 710 000 members at an expenditure of about HK\$3 billion annually;
- A housing target of 470 000 units over the next decade, with public housing accounting for 60 per cent;
- A Task Force on Vocational Education to draw up a strategy to promote vocational education in the community;



>> The Chief Executive, Mr C Y Leung, speaks at a press conference on the Policy Address.

“ I strongly believe that Hong Kong's economic growth and development must be the Government's top priority so that we can create the jobs, wealth and opportunities and meet the needs and aspirations of the whole community. ”

- To increase senior-year undergraduate places progressively in University Grants Committee-funded institutions so that 5 000 sub-degree graduates in total each year will be able to articulate to subsidized degree programmes by the 2018/19 academic year.

The Chief Executive said that implementing the initiatives in this year's policy agenda would require a substantial increase in recurrent expenditure, but stressed that the underlying principle of keeping Government expenditure within the limits of revenue must be observed.

For details, please browse www.policyaddress.gov.hk/2014.

Forum focuses on Asian markets powering global growth



» The Chief Executive, Mr C Y Leung (front row, fifth right); the Financial Secretary, Mr John C Tsang (front row, third right); and the Secretary for Financial Services and the Treasury, Professor K C Chan (front row, first right), are pictured with guests at the opening session of the 7th Asian Financial Forum.

The 7th Asian Financial Forum (AFF) was held in Hong Kong on January 13, 2014 to provide a high-level platform for influential members of the global financial community to discuss developments and trends in the dynamic markets of Asia.

Under the theme "Asia: Powering World Growth", this year's forum has attracted more than 2 500 participants.

At the opening session, the Chief Executive, Mr C Y Leung, gave an overview of the global economic situation and shared with the audience the Government's strategies for Hong Kong's development as an international business and financial centre in Asia.

Mr Leung said, "For Asia to power world growth, Hong Kong has a clear part to play in connecting the world's second largest economy, the Mainland of China, to the rest of the world."

"Over the past year, my Government and I have worked hard to foster stronger government-to-government links with our counterparts in provinces across China and with the Central Government. This high-level cross-boundary co-operation will ensure that Hong Kong continues contributing to and benefiting from the economic and financial reforms in the Mainland."

Speaking at the cocktail reception of the 7th AFF, the Financial Secretary, Mr John C Tsang, underlined the strengths of Hong Kong in developing



» The Chief Executive, Mr C Y Leung, speaks at the opening session of the 7th Asian Financial Forum.

offshore Renminbi business and asset management services which represent important opportunities for Hong Kong's development as China's global financial centre.

The Secretary for Financial Services and the Treasury, Professor K C Chan, chaired the plenary session "Asia: Powering World Growth."

The 7th AFF, co-organised by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council, comprises a plenary session, panel discussions, a breakfast panel, keynote luncheons, workshops and a deal flow matchmaking session.

Chief Executive, Financial Secretary, Secretary for Commerce and Economic Development at APEC meetings

The Chief Executive, Mr C Y Leung, said that promoting liberalisation of trade and investment is crucial to the prospects for a full and sustainable recovery of the global economy during the 21st Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting (AELM) in Bali, Indonesia on October 7, 2013.

During his stay in Bali, Mr Leung attended the APEC Business Advisory Council (ABAC) Dialogue to discuss recommendations set out in the 2013 ABAC Annual Report to APEC Leaders, including fostering the development of small, medium and micro-enterprises, encouraging infrastructure and development as well as accelerating regional financial market integration.

At the AELM Retreat, Mr Leung joined other leaders to deliberate on APEC's role in strengthening the multilateral trading system.

Speaking at the APEC Finance Ministers' Meeting in Bali on September 20, 2013, the Financial Secretary, Mr John C Tsang, said it is important that changes to monetary policy settings by advanced economies should be carefully calibrated and clearly communicated in advance, taking into account spillover effects on other economies.

He considered that APEC economies should guard against excessive market volatilities which caused undue disruption to the economies. He commented that the recent market turbulence should serve as a wake-up call for all economies.

Separately, the Secretary for Commerce and Economic Development, Mr Gregory So, participated in the plenary session of the APEC Ministerial Meeting (AMM) in Bali on October 5, 2013. During the plenary session, Mr So discussed with other ministers on how to achieve sustainable growth with equity and the APEC framework on connectivity. Mr So also held meetings with his ministerial counterparts to exchange views on bilateral trade relations and issues of common interest on the sidelines of the AMM.



» The Chief Executive, Mr C Y Leung (back row, first left) and Mrs Leung (back row, second left) pose for a group photo with other leaders at the APEC cultural event and dinner.



» Mr Leung (second left) and Mrs Leung (first left), together with the President of the Republic of Indonesia, Dr Susilo Bambang Yudhoyono, and his wife at the APEC cultural event and dinner.



» The Financial Secretary, Mr John C Tsang, attends the APEC Finance Ministers' Meeting.



» The Secretary for Commerce and Economic Development, Mr Gregory So (centre), attends the opening plenary of the APEC Ministerial Meeting.

APEC Finance Ministers' Meeting 2014 to be held in Hong Kong

China will assume the Chairmanship of the Asia-Pacific Economic Cooperation (APEC) in 2014. The Ministry of Finance of China announced that the APEC Finance Ministers' Meeting (FMM) 2014 will be held in Hong Kong in September 2014.

Finance ministers, as well as senior financial and central bank officials of APEC member economies will gather in Hong Kong for this ministerial meeting in 2014.

The Financial Secretary, Mr John C Tsang, said, "The Hong Kong Special Administrative Region (HKSAR) Government is honoured that the Central

Government has decided to hold this important meeting of the Asia-Pacific region in Hong Kong. The APEC FMM will serve as a valuable opportunity to promote the latest development of our financial sector and our economic cooperation with APEC member economies, thereby reinforcing and enhancing Hong Kong's role as an international financial centre."

China, as the host economy of the APEC 2014, will chair the annual Economic Leaders' Meeting, as well as a number of ministerial and other meetings in 2014. The APEC FMM 2014 will be hosted by the Ministry of Finance and arranged and organised by the HKSAR Government.

Asia Cultural Co-operation Forum 2013



» The Secretary for Home Affairs, Mr Tsang Tak-sing (centre) with Cultural Ministers and senior officials from 10 Asian countries.

Cultural Ministers and senior officials of 10 Asian countries came together in Hong Kong for the Asian Cultural Ministers' Panel Discussion session on November 14, 2013 to exchange ideas and share views on the furtherance of cultural co-operation to promote the development of culture and the arts in the region.

With the theme of "Literature and Cultural Vibrancy", the Asian Cultural Ministers' Panel Discussion session was the highlight of the Asia Cultural Co-operation Forum (ACCF) 2013 hosted by the Home Affairs Bureau of the Hong Kong Special Administrative Region Government.

Held for the eighth year, the ACCF was launched in 2003 as one of the Government's key initiatives to foster regional cultural co-operation, share good practices and promote culture and the arts.

Cultural Ministers and senior officials from Mainland China, Brunei, Cambodia, Korea, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam joined the panel discussion session.

Addressing the panel discussion session, the Secretary for Home Affairs, Mr Tsang Tak-sing, said that Hong Kong is highly committed to promoting regional cultural co-operation and exchange in Asia.



» Mr Tsang speaks at the Asia Cultural Co-operation Forum 2013 - Asian Cultural Ministers' Panel Discussion.

He said, "The rise of extensive areas in the Asian region is a reality. With the strengthening of regional economic co-operation and the speeding up of economic integration, interactions among peoples in Asia continue to intensify and Asian cultures are flourishing."

"As an international business, finance and shipping centre in the heart of Asia, Hong Kong also aspires to become a cultural hub. The West Kowloon Cultural District project, which is now making good progress, underlines our determination to promote long-term cultural development."

Cultural programmes were held for participating delegations to visit the Jao Tsung-I Academy as well as the Bruce Lee Exhibition and the Chinese Traditional Woodblock Prints Exhibition at the Hong Kong Heritage Museum.

A library expert workshop entitled "Libraries and Culture Preservation and Promotion" was also held.

Construction of Chinese opera centre starts

Construction of Xiqu Centre, the first landmark performing arts venue in the West Kowloon Cultural District (WKCD), has started after a ground breaking ceremony in September 2013.

Designed by Bing Thom Architects and Ronald Lu & Partners Company Ltd, the Xiqu Centre will provide a 1 100-seat Main Theatre, a Tea House, training and educational facilities as well as public open spaces for visitors' enjoyment. It is expected to be completed in 2016.

The Xiqu Centre will provide a platform for Xiqu communities to interact and develop the finest examples of Cantonese and other Chinese opera performances, and to nurture new artists and build new audiences for this remarkable art form.

Speaking at the ground breaking ceremony, the Chief Secretary for Administration and Chairman of the Board of the West Kowloon Cultural District Authority, Mrs Carrie Lam, said the Xiqu Centre underlines the importance that the Government attaches to supporting the development of Cantonese opera in Hong Kong.

She said, "I am pleased that the design of the Xiqu Centre not only meets the requirements of this unique art form, but is also conceived with sustainability in mind. Through ingenious architectural and engineering solutions, energy consumption as well as capital and operating costs of the Xiqu Centre can be lowered."

Cantonese opera is the first world intangible cultural heritage in Hong Kong. In recent years, the number of Cantonese opera performances and operatic song concerts has increased to over one thousand per year, with attendance figures for Chinese opera performances ranked highest among the four major types of performing arts - theatre, music, dance and Xiqu.

The WKCD is a long-term strategic investment made by the Hong Kong Special Administrative Region Government to promote the development of arts and creative industries, meet the growing cultural needs of the public and strengthen Hong Kong's position as an international arts and cultural metropolis.



>> An artist's impression of street level view of Xiqu Centre (Courtesy of BTA & RLP Company Limited and West Kowloon Cultural District Authority).



>> The Chief Secretary for Administration and Chairman of the Board of the West Kowloon Cultural District Authority, Mrs Carrie Lam, officiates at the Ground Breaking Ceremony of Xiqu Centre of West Kowloon Cultural District by performing an eye dotting ceremony for lion dance.

High-level visit to Thailand



» The Chief Secretary for Administration, Mrs Carrie Lam (left), calls on the Prime Minister of Thailand, Ms Yingluck Shinawatra.*

The Chief Secretary for Administration, Mrs Carrie Lam, visited Bangkok, Thailand in September 2013 to forge closer bilateral ties between Hong Kong and Thailand.

During the visit in Bangkok from September 4 – 6, Mrs Lam met with top officials including the Prime Minister, Ms Yingluck Shinawatra; the Deputy Prime Minister cum Minister of Finance, Mr Kittiratt Na-Ranong; the Minister of Education, Mr Chaturon Chaisang; the Minister of Culture, Mr Sontaya Kunplome and the Deputy Minister of Commerce, Mr Yanyong Phuengrath.*

She took the opportunity to visit the Bangkok Mass Transit System, a hospital and the Bangkok Office of the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the ASEAN University Network and the Southeast Asian Ministers of Education Organisation (SEAMEO).

Mrs Lam also met with Hong Kong people living and working in Thailand to better understand their lives there and called on the Chinese Ambassador to Thailand, Mr Ning Fukui.



» Mrs Lam gives a speech on the advantages of Hong Kong as a business and financial centre at a business luncheon.



» Mrs Lam (centre) visits the Bangkok Mass Transit System to better understand its operation.

Mrs Lam addressed a business luncheon, co-organised by the Hong Kong Trade Development Council and the HKETO(ASEAN). She told the audience the strengths of Hong Kong as a business and financial centre. She also shared the benefits to be brought about by the ASEAN-Hong Kong Free Trade Agreement.

* Since December 2013, the current Thai government has been running as a caretaker government as at the time of publication.



» The Secretary for Education, Mr Eddie Ng Hak-kim (left), calls on the Indonesian Minister of Education and Culture, Professor Dr Ir Mohammed Nuh.



» Mr Ng (third right) visits the Regional Centre for Quality Improvement of Teachers and Education Personnel in Language under the Southeast Asian Ministers of Education Organisation.

Education chief promotes exchanges in Indonesia

The Secretary for Education, Mr Eddie Ng Hak-kim, visited Jakarta, Indonesia from December 15 – 17, 2013 to promote educational co-operation and exchange between Hong Kong and Indonesia.

Mr Ng started the tour by visiting Universitas Pelita Harapan, where he met with its management to exchange views on co-operation opportunities in tertiary education between Hong Kong and Indonesia.

There are currently five exchange agreements and two research collaborations between the eight University Grants Committee (UGC)-funded institutions in Hong Kong and their counterparts in Indonesia.

Mr Ng called on the Indonesian Minister of Education and Culture, Professor Dr Ir Mohammed Nuh, to exchange views on education policies and co-operation.

He shared Hong Kong's experience and achievements in its education reform since 2000 and the smooth implementation of the New Academic Structure in the past few years.

To find out more about the recent developments of teacher training in the region, Mr Ng visited the Regional Centre for Quality Improvement of Teachers and Education Personnel in Language of the Southeast Asian Ministers of Education Organisation (SEAMEO).

During the visit in Jakarta, Mr Ng joined part of a cross-country study tour comprising some 100 teachers and students from Po Leung Kuk schools. He also met a group of local community leaders from Hong Kong and briefed them the latest developments in Hong Kong.

Film retrospective in Singapore



>> The Director of HKETO (ASEAN), Mr Fong Ngai, speaks at the opening ceremony of "The Story of Kong Ngee".



>> Mr Fong (left), the Director of National Museum of Singapore, Ms Angelita Teo (centre), and Programme Manager of Hong Kong International Film Festival, Mr Bede Cheng, at the reception of the opening ceremony.

Some 250 guests spent an enjoyable night reminiscing over a golden era of Cantonese movies in the 1950s and 1960s at the opening of a film retrospective held in the National Museum of Singapore on October 10, 2013.

"The Story of Kong Ngee", a review of Cantonese movies starring leading Hong Kong actors and actresses and produced by the Kong Ngee Film Company founded by two Singaporean brothers, paid tribute to the film studio and its contribution to the Cantonese film industry.

The Director of HKETO(ASEAN), Mr Fong Ngai, said that the Office was pleased to partner with the National Museum of Singapore to present the selection of Cantonese movies from a past era to the Singaporean audience.

He said, "The historical ties between Hong Kong and Singapore dated years back. The movie and TV industries have played no small part in contributing to the strong ties enjoyed by the two places."

"The Story of Kong Ngee", organised by the National Museum of Singapore and sponsored by the HKETO(ASEAN), featured 15 iconic Cantonese movies. The opening movie is "Blood Stains the Valley of Love", which is part of the famed "Nanyang Trilogy" and the centrepiece of the film showcase. The other two movies in the trilogy are "China Wife" and "Moon Over Malaya", and all were shot in Malaya and Hong Kong in 1957.

The Leisure and Cultural Services Department of Hong Kong and its Hong Kong Film Archive have provided support to the event.

"Children – Our Future" Soccer Carnival



>> The Director of HKETO (ASEAN), Mr Fong Ngai (ninth right) and the President of the Kowloon Club, Mr Philip Chan (eighth right) at the presentation ceremony of the "Children – Our Future" Soccer Carnival.

The HKETO (ASEAN) sponsored a charity event, "Children – Our Future" Soccer Carnival, organised by the Kowloon Club, an organisation comprising mainly Hong Kong immigrants, on December 14, 2013 in Singapore to show its support to activities contributing to the betterment of the local community.

The event, featuring friendly soccer matches and performances by inter-ethnic groups, attracted some 200 children and their families. The event also aimed to raise bursary funds for the needy students studying in four primary and secondary schools in Singapore.

Speaking at the event, the Director of HKETO (ASEAN), Mr Fong Ngai, said he was glad to find that Hong Kong people were in general well received and well-liked by the people in South East Asia.

He said, "One reason is perhaps the fact that Hong Kong people will come together to form associations to help fellow Hong Kong people as well as to contribute to the betterment of the local community."

"Kowloon Club is a classic example. Formed by immigrants from Hong Kong in April 1990, Kowloon Club made tremendous effort in helping new immigrants from Hong Kong to integrate into the local community. In recent years, it has ventured into the area of charitable courses in order to contribute to the betterment of the local community."

"Its efforts were recognised by the Prime Minister, Mr Lee Hsien Loong, making a special mention of Kowloon Club in his National Day Rally Speech in 2012 for having been active in charity and community work to help the needy."

The event was jointly organised by Kowloon Club and Geylang International Football Club.



>> The carnival attracts some 200 young soccer enthusiasts.

HK ranked world's freest economy for the 20th consecutive year

Hong Kong has been ranked the world's freest economy by the Heritage Foundation for the 20th consecutive year since the Index of Economic Freedom was first published in 1995.



» The Chief Executive, Mr C Y Leung (right), receives a copy of the Heritage Foundation's "2014 Index of Economic Freedom" from its Founder, Dr Edwin Feulner, at the Government House.

The Financial Secretary, Mr John C Tsang, said, "We welcome the Heritage Foundation's high regard of Hong Kong as the world's freest economy, a ranking we have held for 20 consecutive years."

Mr Tsang said that the Hong Kong Special Administrative Region Government is determined to uphold economic freedom in Hong Kong, which is the cornerstone of sustained economic stability, growth and prosperity.

"Market forces have driven the city's development as an international financial centre as well as a leading trade, services and logistics hub in the past few decades. They will continue to drive our economic engines by developing our strengths and potentials," said Mr Tsang.

According to the 2014 Index of Economic Freedom released, Hong Kong achieved an overall score of 90.1 (on a scale from 0 to 100), registering a 0.8 point increase when compared with last report, and well above the global average of 60.3.

The report ranked the degree of economic freedom of 178 economies around the world. The 10 factors assessed are business freedom, trade freedom, fiscal freedom, government spending, monetary freedom, investment freedom, financial freedom, property rights, freedom from corruption and labour freedom.

HK hails conclusion of the Bali Package at WTO

The Secretary for Commerce and Economic Development, Mr Gregory So, welcomes the conclusion of the Bali Package at the Ninth Ministerial Conference (MC9) of the World Trade Organisation (WTO) held in Bali, Indonesia from December 3 to 6, 2013.

"It is a breakthrough in the multilateral trade negotiations by sealing the first-ever trade package since the WTO was established in 1995. Amongst the various elements of the Bali Package, the new Agreement on Trade Facilitation (TFA) will particularly benefit Hong Kong," Mr So said.

The WTO TFA sets out binding obligations for all WTO Members to improve and harmonise their import/export and customs formalities and procedures. It will make cross-border trade easier, and help reduce costs and improve efficiency for both businesses and governments.

According to the WTO, the TFA may reduce worldwide barriers to global supply chains and red tape by half, and expand the world economy by about 4.5 per cent (i.e. US\$ 1 trillion).

"Hong Kong, being an export-oriented economy and a trading centre, will stand to benefit from the TFA," Mr So pointed out.

"We will continue to work closely with other WTO Members and take an active role in the multilateral trade negotiations, particularly those in the services sectors and information technology products, to secure the best possible market access for Hong Kong suppliers, and provide the best possible environment for Hong Kong to attract foreign investment," Mr So added.

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Hong Kong Economic and Trade Office (ASEAN)

9 Temasek Boulevard, #34-01 Suntec City Tower Two, Singapore 038989

Website: www.hketosin.gov.hk Tel: (65) 6338 1771 Email: hketo_sin@hketosin.gov.hk Fax: (65) 6339 2112

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