



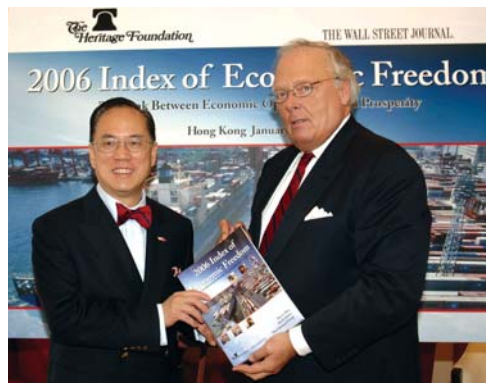
# Review

## It's 12! HK wins award yet again

Hong Kong has extended its remarkable run of success as the world's freest economy by being named as the holder of the title for a 12th consecutive year.

The US-based Heritage Foundation 'think tank' again bestowed the accolade on the Special Administrative Region (SAR), citing its pre-eminence in categories such as free capital flow and foreign investment, property rights and strictly enforced yet non-burdensome labour

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Chief Executive Mr Donald Tsang receives the new Index of Economic Freedom from Heritage Foundation President, Dr Edwin Feulner.



Tourism initiatives under way

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## Trade hopes rise after WTO summit

By common consent, it was a long, tough week. But by the time the final gavel fell, the World Trade Organization's Hong Kong Ministerial Conference had resulted in a "significant advance" that would hopefully pave the way for a successful conclusion to the Doha Round of trade liberalisation talks, said the meeting's chairman.

Speaking at the press conference concluding the event, the chairman, Hong Kong's Secretary for Commerce, Industry and Technology, Mr John Tsang, said: "To be honest, the outcome has exceeded my

expectations.

"We have built a platform from which we can go forward to complete the Doha Development Agenda. And most pleasing for all is that this week's 6th Ministerial Conference of the World Trade Organization has been a clear win for development."

Following the conference's conclusion Hong Kong's Chief Executive, Mr Donald Tsang, echoed his colleague's comments: "I certainly hope that the hard work carried out in Hong Kong over the past week will be translated into real and concrete benefits for the world

as a whole, but in particular the people who need it most in the least developed and developing countries.

"There has been very positive feedback from delegates and other participants about the superb way in which the meeting was organised and conducted. It reflects typical Hong Kong efficiency."

○ 'A hard day's night'  
– Page 3.



Symphony hits sweet note

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Open for business

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**New ETO beckons as East European trade expands**

Trade and other relations with the fast-growing Eastern European countries will be enhanced by plans to open a new Hong Kong Economic and Trade Office in Europe.

"The establishment of a new Economic and Trade Office in Europe is a reflection of our belief that Europe's economic activity itself is expanding eastward," Hong Kong Special Administrative Region Chief Executive Mr Donald Tsang said after making the announcement as part of his 2005 Policy Address.

"The setting up of another economic and trade office in Europe will also enable us to rationalise the coverage of existing offices on a geographical basis", said Mrs Carrie Lam, Director-General of the Hong Kong Economic and Trade Office in London.

At present, the London Office is responsible for 17 countries including the United Kingdom and all ten new European Union Member States since the enlargement in May 2004 as well as the non-EU countries of Switzerland, Russia and Norway and candidate countries Romania, Bulgaria and Croatia. Its Brussels counterpart covers the rest of the EU.

The location for the new office is under serious consideration. It is expected to come into operation in the third quarter of 2006.

○ From page 1.

regulations. Singapore was runner-up, while Ireland took third place.

Welcoming the award, Hong Kong's Financial Secretary, Mr Henry Tang, said it was encouraging that the SAR's efforts

**HK retains top place**

had again been recognised by the international community.

The administration, he added, was firmly wedded to the principle of

'market leads, Government facilitates'.

The Heritage Foundation scored 157 nations on a list of 50 variables, grouped into 10 broad categories.

**HK instigates East European pitch**

Several hundred business people attended seminars in Warsaw and Budapest during December jointly organised by the Hong Kong Economic and Trade Office and the Hong Kong Trade Development Council. The seminars were followed by a networking reception.

Speaking at the seminars, Director-General Mrs Carrie Lam illustrated the benefits that companies incorporated in Hong Kong could reap under the Closer Economic Partnership Arrangement (CEPA) signed with the Mainland in trade in goods and services and outlined the exciting developments in the Hong Kong Special Administrative Region, including the opening of the Hong Kong Disneyland, the AsiaWorld-Expo and other major infrastructure projects.

Regional Director, Central and Eastern Europe of the Hong Kong Trade Development Council, Ms Lore Buscher, highlighted



Reporter Radoslaw Mietus interviews HKETO Director-General Mrs Carrie Lam for Polish station TV Biznes before a seminar in Warsaw.

Hong Kong's advantages as the centre for international trade fairs and an ambitious expansion project of the Council to create additional exhibition space to meet growing demand.

At the seminar in Budapest, participants were gratified to learn of a very successful visit by their Prime Minister, Mr Ferenc Gyurcsány, to Hong Kong in September.

Mrs Lam also met officials from the Polish Ministry for Foreign Affairs, the Ministry for

Economy, and the Polish Information and Foreign Investment Agency, as well as giving media interviews and briefing Polish journalists during her stay in Warsaw.

In Budapest, Mrs Lam also briefed journalists and called on the Special Trade Representative and Deputy State Secretary at the Hungarian Ministry of Economy and Transport, Dr István Major, and the Chinese Ambassador to Hungary, His Excellency Zhu Zushou.

**Chinese New Year celebrations to take place from Belfast to Moscow**

The Hong Kong Economic and Trade Office in London is again organising celebrations across Europe to mark the Chinese New Year, with receptions from Belfast to Moscow.

Some of the events will be combined with seminars to maximise the benefits of bringing together a wide spread of interested parties. The timetable for the events is as follows:

- Thurs 2 Feb – London (reception)
  - Fri 3 Feb – Belfast (reception)
  - Tues 7 Feb – Edinburgh (reception)
  - Mon 13 Feb – Oslo (reception and seminar)
  - Thurs 16 Feb – Moscow (reception and seminar)
  - Fri 17 Feb – St Petersburg (reception and seminar)
  - Tues 21 Feb – Zurich (reception and seminar)
  - Tues 28 Feb – Prague (reception and seminar)
  - Weds 1 March – Warsaw (reception)
  - Thurs 2 March – Budapest (reception)
- The Prague, Warsaw and Budapest events will have the added attraction of traditional Chinese music performed by students from the Hong Kong Academy for Performing Arts.



# Hard work – but worth it

It's not often that a ministerial press conference is opened with lyrics from Lennon and McCartney, but Hong Kong's Secretary for Commerce, Industry and Technology uttered them with some feeling.

"It's been a hard day's night and I've been working like a dog," Mr John Tsang told reporters at the conclusion of the six-day World Trade Organization's (WTO) Ministerial Conference, which he chaired.

"And so has everybody else around here," he added quickly, "especially ministers who have gone through more than 100 gruelling hours to arrive at our destination today. I have to say that I think all the hard work has been worth it. I believe the Ministerial declaration which you have all seen represents a significant advance from where we started five days ago. To be honest, the outcome has exceeded my expectations."

Prior to the event, international press comment on its prospects had been largely gloomy. However, said Mr Tsang, "We have pulled a rabbit out of the hat. The trick now is to make sure it grows and multiplies.

"By that I mean all members of the WTO continue the hard work of Hong Kong over the next few months and close the gaps that still exist before we can ink the deal once and for all before the end of 2006."

Mr Tsang said the conference had delivered several achievements, including:

- An end-date for all agriculture export subsidies by 2013, even "if not in a form that is to everyone's liking";
- A "very solid result on duty-free, quota-free access for the Least Developed Countries; and
- An agreed text that should accelerate liberalisation of the trade in services.



*The Director General of the World Trade Organization Mr Pascal Lamy presents the gavel to WTO Ministerial Conference Chairman Mr John Tsang at the successful conclusion of the Ministerial Conference.*

"These are no mean achievements."

WTO Director-General Mr Pascal Lamy said the Hong Kong conference had put the Doha Round of talks "back on track after a period of hibernation. Everyone shares the sense that we've succeeded, not completely...but with an impetus to finish the Round in 2006."

In his personal electronic diary on the WTO website, he commented: "It's been an incredible week in a fabulous city whose team...have done impeccable work."

Both Mr Tsang and Hong Kong's Chief Executive condemned the street violence by some demonstrators during the conference.

Some 900 people were arrested during the disturbances on the night of 17 December.

The Chief Executive described their actions as "completely unacceptable behaviour". He commended the Hong Kong Police Force for its "measured and appropriate response" to the violence.

Despite the televised images of the disturbances, the six-day event would boost Hong Kong's international reputation, said several local experts.

Quoted by news agency AFP, Colleen Ironside of events promotion company Live Limited commented: "Did it leave anyone dead? Were there serious injuries? No. It appears to have been handled very well indeed."

Po Cheung, managing director of brand management company Future Brand added: "If all the WTO did was to put Hong Kong into the world's media, then it did so very well indeed."

And Lynn Grebstad of Grebstad-Hicks Communications said that Hong Kong "showed it can handle an international event with aplomb".



*The relief shows as Mr Tsang and Mr Lamy mark the end of the Closing Plenary Session.*



# Discover Hong Kong Year is under way



January marked the culmination of a year of planning by the Hong Kong Tourism Board (HKTB) as it formally got 2006 Discover Hong Kong Year under way with the aim of boosting the number of visitors to the territory.

At a December media briefing, HKTB Executive Director Ms Clara Chong said that by focusing on what differentiated Hong Kong from other destinations and creating new experiences for visitors, the 2006 Discover Hong Kong Year global marketing campaign would not only generate immediate visitor arrivals and spending, but also sustain the tourism industry's long-term development, providing the impetus for growth during the 2008 Beijing Olympics and 2009 East Asian Games.

"While promoting our tourism infrastructure, it is equally important to continually upgrade Hong Kong's quality services," Ms Chong said. "We want our visitors to feel the warmest welcome, and have a truly memorable stay, which is why we've put



together various destination initiatives for enhancing the visitor experience during 2006."

Even before visitors arrive, they can get a flavour of their destination by using the HKTB's [www.discoverhongkong.com](http://www.discoverhongkong.com) website to plan their trip and activities.

They can also download the Hong Kong Leisure Guide for Business Travellers to their PDA before arrival. December saw the electronic PDA guide launched in a Palm version, and by the second quarter of 2006, visitors will be able to access information with their mobile phones through audio and WAP.

Visitors will be able to browse the 2006 Discover Hong Kong Year Bonus Guide, which features discounts at shops, restaurants, tour operators and attractions, plus public transport. To help visitors identify merchants accredited under the Quality Tourism Services (QTS)

**The campaign's many facets can be found at [www.discoverhongkong.com](http://www.discoverhongkong.com)**

scheme and enjoy the dining and shopping that they offer, the Board will arrange for displays and decorations at the merchants' outlets.

The QTS scheme will be a key element during 2006. The HKTB is planning to launch a Quality Ambassador Programme and provide benchmarking

service for accredited merchants, to improve their service standards. It also plans to recruit more merchants, strengthen compliance measures and enhance the complaint-handling system.

During their stay, visitors can enjoy an expanded calendar of Mega Events. Feedback from visitors shows that these events have helped enhance their satisfaction and stimulate spending. As well as the existing Mega Events, such as the Hong Kong Shopping Festival and WinterFest, the HKTB will stage two new such attractions – the Culture and Heritage Celebration and Mid-Autumn Lantern Celebration – to allow visitors to experience Hong Kong's culture, heritage and traditional lifestyle.

The HKTB has been working on the 2006 Discover Hong Kong Year campaign since early 2005. Following the campaign's trade launch last May, when it was introduced to travel

2006  
**DISCOVER**  
HONG KONG YEAR  
精采香港旅遊年



## Lights win accolade

Victoria Harbour's nightly spectacular, *A Symphony of Lights* has just been named the world's largest permanent light and sound show by Guinness World Records. The show has been accredited based on the existing 20 buildings jointly performing the synchronised light and sound show.

*A Symphony of Lights*, the 13-minute spectacle developed by the Tourism Commission, aims to further enhance the harbour's attractions.

The Financial Secretary, Mr Henry Tang, presided over the Guinness World Records Certificate presentation ceremony in November when Head of Records, Mr Marco Frigatti, presented the certificate to the Commissioner for Tourism, Ms Eva Cheng.

Addressing the audience, Mr Tang said: "The Guinness World Records award represents important international recognition for *A Symphony of Lights*. I believe the show will further encourage visitors to come to Hong Kong and discover the experience of a lifetime here."

He added that the show "demonstrates the remarkable synergy of public-private partnership. Participation in the show is entirely voluntary. This unprecedented joint venture between public and private organisations is not bound by contract, but by our Hong Kong spirit, which has amazed many of our tourism counterparts overseas."

Ms Cheng later added: "The award of the world's largest permanent light and sound show title is a great encouragement to us. We will continue to work hard for the Phase II show with a view to further enhancing the attraction of this tourism project and the night vista of Victoria Harbour."

On the evening of the presentation, a special light-up event was held to mark the completion of lighting installations for government buildings along the Kowloon waterfront – the Hong Kong Cultural Centre, Hong Kong Museum of



The light show is being expanded to enhance its visual impact.

Art and Hong Kong Coliseum. They will participate in Phase II of *A Symphony of Lights*, which was launched in December and will cover 33 buildings on both sides of Victoria Harbour.

Phase II's display covers five major themes, such as 'Awakening', 'Energy' and 'Heritage', each marked by different patterns of lasers, searchlights and building illuminations.

For further information on the show, go to: <http://www.tourism.gov.hk/symphony>

executives and media representatives from around the world, the Board has already rolled out the campaign in key long-haul markets such as Canada, the UK, the US and Australia and will soon launch it in short-haul markets.

Ms Chong said that in planning for the campaign, the HKTB had put major efforts into preparing for eventualities: "As always, we've built in sufficient flexibility in the campaign to address changing market conditions and unforeseen external factors, so as to achieve maximum cost-effectiveness."

"We expect 2006 Discover Hong Kong Year will boost visitor arrivals and spending, and generate multi-faceted opportunities across all businesses. It'll also further elevate Hong Kong's standing as one of the world's leading travel destinations."

"To reach these targets, we need the support of all our partners, not just in the tourism industry but also the wider community. Together we will make Hong Kong the centre of the world's attention in 2006 and the years after."

● Anyone wishing to subscribe to the new HKTB electronic newsletter, which will provide updates on the 2006 Discover Hong Kong Year can do so by going to <http://www.discoverhongkong.com/eng/worldwide/newsletter/index.jhtml>

## Visitors get aerial view

Mid-2006 has been set as the opening date for Ngong Ping 360, Hong Kong's latest major tourism attraction.

The project combines a spectacular cable car journey to the Tian Tan Big Buddha on Lantau Island with a cultural themed village.

The latest milestone in the creation of the attraction has come with the delivery of the first of what will eventually be 112 cable car cabins.

The cabins, each capable of holding up to 17 passengers (10 sitting and 7 standing), will enable up to 3,500 passengers per hour to be carried in each direction for the spectacular 20-25 minute journey.

"Delivery of the cabins marks a significant milestone towards the opening of this iconic new attraction for Hong Kong," said Ngong Ping 360 Managing Director, Bill Calderwood.

The Ngong Ping Skyrail cable car journey travels 5.7 km between the Tung Chung and Ngong Ping Terminals. It will provide panoramic views of the Tian Tan Big Buddha, the flora and fauna of North Lantau Country Park, Tung Chung Bay and the Hong Kong International Airport.

Ngong Ping Village, adjacent to the Ngong Ping Skyrail Terminal, occupies a 1.5 hectare site and has been designed to reflect and maintain the cultural and spiritual integrity of the local area. As well as incorporating several major themed



Eventually, more than 100 cabins will carry visitors along the 5.7 km aerial ride.

attractions such as Walking with Buddha, Monkey's Tale Theatre and the Ngong Ping Tea House, the village also boasts traditional Chinese architectural design features, plus shopping and dining experiences.

Ngong Ping 360 is being developed and financed by the MTR Corporation as one of Hong Kong's 'must do' attractions. It is managed by Skyrail-ITM (Hong Kong), whose Australian parent company built and operates the world-famous Skyrail Rainforest Cableway in Cairns. It is one of the most experienced cable-car operators in the world.

The opening of Ngong Ping 360 in mid 2006 has taken into account the effect of bad weather on helicopter operations and construction progress during 2005.



*Cathay Pacific will be using its fleet of Airbus A340-300s to serve the Moscow and Manchester sectors.*



## Cargo hits new record

Boosted by pre-Christmas shipments, cargo levels passing through Hong Kong International Airport (HKIA) again reached record new levels at the close of 2005.

Some 3.4 million tonnes of cargo passed through the airport in the year, up by 9.9 per cent compared to 2004.

Passenger flows and aircraft movements also recorded healthy increases compared to the previous year; passenger numbers were up 9.7 per cent at 40.74 million, while aircraft movements climbed 11 per cent to 263,400.

Over a rolling 12-month period, all three traffic figures grew by more than 10 per cent. Airport Authority Hong Kong's Commercial Director Hans Bakker commented: "To enhance HKIA's position as the world's largest international cargo airport, we plan to build 10 more cargo stands by 2007."

*Hong Kong International Airport saw yet another freight record smashed.*

# Air links come on-line

Hong Kong's transport links with Europe are to be strengthened following Cathay Pacific Airways' announcement that it will start flying to Moscow and re-start services to Manchester this spring.

The three-times-weekly service is due to start on March 27 and will mark an important boost to services to and from the Russian capital.

Until now, the Moscow – Hong Kong sector has been operated by the Russian carrier Aeroflot under a codesharing agreement with Cathay, with Aeroflot Boeing 767s carrying both their own 'SU' and Cathay's 'CX' flight prefixes.

"Moscow is an exciting

destination and our new service will offer Hong Kong passengers more choices and greater travel convenience to this great capital," said Cathay Pacific's Chief Executive, Mr Philip Chen. The Moscow flights will continue onward to Manchester. Cathay has served the northwest UK city before, but flights ended in 2001. Resumption of the Manchester service will mean a total of 31 Cathay flights linking Hong Kong and the UK weekly.

The new service "adds yet another spoke to the Hong Kong hub", added Mr Chen. Both Moscow and Manchester are expected to generate new traffic through Hong Kong

onwards to Australasia and around the region. Cathay is hopeful that Hong Kong's position as a gateway to China will appeal to Russian businesses attempting to develop closer trade links with the booming Pearl River Delta region.

● News of the new routes came just days after the Hong Kong carrier announced its biggest-ever order for new aircraft. It has committed to taking 16 wide-body Boeing 777-300ER (Extended Range) airliners, together with purchase rights for a further 20, for its long-haul routes. It has also committed to acquire a further three Airbus A330-300s for its regional flights.





# New venue opens its doors

Hong Kong's newest and largest exhibition and events centre, AsiaWorld-Expo, officially opened at Hong Kong International Airport on 21 December 2005, supplying more than 70,000 square metres of state-of-the-art rentable space.

The Chief Executive of the Hong Kong Special Administrative Region, Mr Donald Tsang, was Guest of Honour and presided over the Grand Opening celebrations along with Officiating Guests the Secretary for Commerce, Industry and Technology, Mr John Tsang; the Secretary for Financial Services and the Treasury, Mr Frederick Ma; the Chairman of AsiaWorld-Expo, Mr Mike Rowse; the Chairman & Chief Executive Officer of Bouygues Construction, Mr Yves Gabriel; the Managing Director of Dragages (HK) Ltd, Mr Benoît de Ruffray; the Chairman of Hong Kong Airport Authority, Dr Victor Fung, GBS; the Chairman of MTR Corporation Ltd, Dr Raymond Ch'ien, and the Chief Executive Officer of AsiaWorld-Expo Management Limited, Mr Nicolas Borit.

The venue is fully equipped to host large-scale, international events with 10 column-free, high specification exhibition halls, including a world-class purpose-built entertainment arena that can seat 13,500 people – making it Hong Kong's biggest indoor-seated venue.

With its modern facilities and a list of major international exhibitions already booked for 2006, AsiaWorld-Expo is set to take Hong Kong's exhibition industry to an unparalleled level of excellence.

AsiaWorld-Expo is the world's only exhibition and events venue that is fully integrated with an international airport and it is serviced by an in-venue Mass Transit Railway station, allowing easy and efficient access to key locations in Hong Kong.

Comprehensive cross-border bus services also



Above: The 13,500-seat arena in AsiaWorld-Expo gives some idea of the scale of the complex. Below left: Chief Executive Donald Tsang (fifth from left) leads the toast at the opening of AsiaWorld-Expo, Hong Kong's largest exhibition and events complex. Below right: The AsiaWorld-Expo complex is strategically placed adjacent to Hong Kong International Airport and has its own Mass Transit Railway station.



provide easy land access to and from Mainland China. Regular daily bus services are already available from AsiaWorld-Expo to Shenzhen and the journey is less than one hour.

It is also easily accessible by local buses, taxis and private cars.

A comprehensive Expo Concierge service, including visitor information and a business centre, is available to guests and exhibitors, while customer service counters at the Hong Kong International Airport provide instant baggage check-in, storage and forwarding services.

The entire venue was designed with an extensive

communications infrastructure ensuring borderless Internet and mobile connections. Customers and visitors can stay connected to the world around-the-clock with an extensive choice of comprehensive mobile service options.

Seamless communication, including international roaming covering 230 destinations, is enabled throughout the centre via 3G technology. It also offers state-of-the-art facilities and is designed to accommodate a variety of events from entertainment to international sport and corporate functions. Features include 19 metres clear height, floor area of 75.6m x 32.4m (flat



floor seating removed), dimmable audience lighting and high-speed fibre optic infrastructure.

AsiaWorld-Expo shares its Lantau Island location with the Hong Kong International Airport and some of Hong Kong's most spectacular tourist attractions, including the famous Big Buddha statue and the recently opened Hong Kong Disneyland.

In mid-2006 the scenic Ngong Ping 360 cable car journey and culturally themed village, will open, along with the SkyPlaza development in Hong Kong International Airport's passenger terminal, which will offer a series of retail and entertainment options.





The Government's plans to extend democratisation failed to pass LegCo with the required 40-20 majority.



# Government mulls vote on democracy

The Chief Executive, Mr Donald Tsang, said in order to reach universal suffrage, he had to continue to build trust between Hong Kong's democrats and make them understand what was happening on the Mainland.

His remarks came following the Legislative Council (LegCo) decision to vote down his proposals to strengthen the Territory's democratic credentials.

Mr Tsang's administration had proposed changes to the election of the Chief Executive in 2007 and the formation of LegCo in 2008. These included the expansion of LegCo from 60

to 70 members and the doubling of the election committee choosing the Chief Executive to 1,600 members.

The proposals came after an extensive trawl of Hong Kong opinion over 18 months and were incorporated into the Constitutional Development Task Force's Fifth Report.

However, LegCo members failed to pass both proposals. The proposal to enlarge the election committee and the expansion of LegCo were actually approved by 34-24, but this fell short of the required 40-20, or two-thirds, majority margin as

## Education links grow

The flow of university students between Hong Kong and the UK should increase following the signing of a new agreement.

The agreement – the first HK-UK Memorandum of Understanding (MoU) on Internationalisation of Higher Education – aims to broaden students' perspectives through such means as the consolidation of student exchange programmes and an increase in the number of non-local students in both Hong Kong and the UK.

Delegations headed by Professor Poon Chung-kwon, President of Hong Kong Polytechnic University and Professor Christine Hallett, Principal and Vice-Chancellor of Stirling University, were present at the signing ceremony at the British Council in Hong Kong. Also present was Hong Kong's Secretary of Education and Manpower, Professor Arthur Li.

Professor Li commented: "It is the goal of the Government of the HKSAR to develop Hong Kong as the education hub of the region. Internationalisation of the student body in the higher education sector was part of that goal."

Ruth Gee, Director of the British Council in Hong Kong added: "We want to build on the many existing bilateral links between British and Hong Kong universities."



Hong Kong aspires to become the region's educational hub.

laid down in the Basic Law. Pro-democracy activists felt the package did not go far enough.

The votes came despite the efforts of the Government to incorporate amendments to address concerns voiced by some LegCo members.

These had included a reduction in the number of appointed District Council members from 102 to 68 from January 2008 and a decision by the end of 2011 on when to reduce those appointed seats to zero.

Under the Government's proposed package, of the 10 new LegCo seats, five would be returned by geographical

constituencies, and the five new functional constituency seats would have been returned through elections by District Council members from among themselves.

Prior to the vote, both Mr Tsang and Chief Secretary for Administration Mr Rafael Hui had stressed that public opinion was clearly in favour of LegCo passing the package and that failure to do so would mean Hong Kong marking time on the road to greater democracy.

Speaking shortly after the vote, Mr Tsang said he would have to take stock of developments and consider the next step.