

HONG KONG REVIEW



Hong Kong gears up to become the next Fintech Hub



Secretary for Financial Services and the Treasury, Professor K C Chan, visited Stockholm and London in May to study the latest developments in financial technologies (Fintech) and promote Hong Kong as the world's leading offshore Renminbi hub.

Professor Chan met Per Bolund, Minister for Financial Markets/Deputy Minister for Finance; Martin Noréus, Acting Director General of Swedish financial regulator Finansinspektionen; and Magnus Billing, President of Nasdaq Stockholm, briefing them on the latest developments in the Hong Kong financial market. He also had meetings with Marcus Wallenberg, Chairman of Swedish bank Skandinaviska Enskilda Banken AB, and Henry Ohlsson, Deputy Governor of Sveriges Riksbank, Sweden's central bank, to exchange views on various financial and monetary policies.

Gateway to the Mainland

During the visit, Professor Chan also addressed a luncheon roundtable hosted by the Royal Swedish Academy of Engineering Sciences and gave a speech at the Stockholm School of Economics, promoting Hong Kong as a major international financial centre and a gateway to the Mainland market. Before leaving Stockholm, he visited two Swedish Fintech companies, iZettle and Klarna, which specialise in delivering mobile payment solutions to replace traditional point of sale terminals, and delivering online sales and payment services respectively.

Start-ups

In London, Professor Chan met with Christopher Woolard, Director of Strategy and Competition of the Financial Conduct



Authority, exchanging views on regulatory issues of innovative start-ups. He also met Dominic Jermy, the then Chief Executive of UK Trade and Investment to learn about UK's Strategy on developing Fintech. Following a roundtable breakfast with key financial technology stakeholders at Level 39, Professor Chan visited Digital Shadows, a company providing cyber security services. Professor Chan also visited Seedrs, the first equity crowdfunding platform to receive regulatory approval from the UK's Financial Conduct Authority, as well as TransferWise and Accenture, which provide money transfer and financial technology support services respectively. He also joined a luncheon organised by Hong Kong Association and gave a speech at the London Business School.

Above top: Professor Chan (second left) tours the office of TransferWise, a UK financial technology company that provides money transfer services.

Above: Professor Chan (first left) meets Martin Noréus, Acting Director General of Swedish financial regulator Finansinspektionen (first right).

Chief Executive meets Foreign Office minister

Chief Executive C Y Leung (right) welcomes Hugo Swire, Minister of State at the Foreign and Commonwealth Office, during his visit to Hong Kong in July. Mr Leung introduced Mr Swire to the latest social and economic developments in Hong Kong, including the progress of major infrastructure projects, and said he hoped that both places would continue to enhance exchanges and co-operation on trade and the economy.



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Hong Kong seeks overseas talent (page 2)



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●●● Constitutional development

Hong Kong looks to the future after constitutional reform vote

Hong Kong should move forward and focus on developing the economy and building a better future, said Chief Executive C Y Leung after the Legislative Council (LegCo) voted down the Government's constitutional reform proposals.

Speaking just after the vote, he said the Government will focus its efforts on the various economic development and livelihood issues, while hoping that all sectors of the community can work together to enhance communication and rebuild mutual trust to create a better city and future for all in Hong Kong.

Under the Basic Law, the proposals for electing the next Chief Executive by one person, one vote has to be approved by a two-thirds majority of the 70 legislators i.e. 47 votes. However it was vetoed by 28 legislators. The proposal, which was put forward by the Hong Kong Government following two rounds of public consultation and numerous meetings and briefings involving all sectors of the community, would have allowed up to five million eligible voters to elect the Chief Executive in 2017 by one person, one vote.



As a result of the vote, the method used for selecting the Chief Executive in 2017 will remain the same, that is, by a 1200-member Election Committee. Any decision on whether to restart the reform process will rest with the next Chief Executive selected in 2017.

●●● Attracting talent

Hong Kong seeks overseas talent

The Hong Kong Economic and Trade Office (HKETO), London, held a seminar in June for those interested in working in Hong Kong.

The seminar, organised with the Hong Kong Society and hosted by Standard Chartered Bank, aimed to promote the enhancements to the admission arrangements, which will make it easier for overseas talent and professionals to work in Hong Kong, as well as the pilot scheme for the second generation of Chinese Hong Kong permanent residents.

These new measures were announced by Hong Kong Chief Executive C Y Leung in his 2015 Policy Address, with the aim of recruiting talent and professionals from outside Hong Kong more proactively to help tackle the demographic challenges of an ageing society, a shrinking workforce and a declining birth rate.

Skills and experience

During the seminar, Erica Ng, Director-General of HKETO, provided an update on the economic and employment situation in Hong Kong. People with the



Ms Ng speaks at a seminar on Hong Kong's new talent admission measures.

right skills and experience could tap into the growing financial services and business and professional services sectors, as well as the blossoming start-up sector, she said.

A representative from the Immigration Department also spoke at the seminar and answered questions on the new measures, while senior members of the Hong Kong Society talked about working life in Hong Kong.

The London seminar was the first in a series of events to be held across Europe

to encourage people with the right skills and experience to explore the possibility of working in Hong Kong.

For further details on the new admission arrangements, please visit: www.immd.gov.hk/eng/useful_information/admission-schemes-talents-professionals-entrepreneurs.html.

Hong Kong Welcomes U

A new one-stop web portal will make it easier for people wanting to work, invest or study in Hong Kong. Launched in August, Hong Kong Welcomes U (www.hkwelcomesu.gov.hk) brings together a wide range of information on employment, education, investment and immigration arrangements, and is part of ongoing initiatives to attract talent to Asia's world city.

●●● Trade

Closer business and trade ties with Russia

Secretary for Commerce and Economic Development, Gregory So, visited Russia in March to strengthen business ties and bilateral trade between the two places.

Mr So met Natalya Sergunina, Deputy Mayor of Moscow for Economic Policy and Property and Land Relations, and Stanislav Voskresensky, Deputy Minister of Economic Development of the Russian Federation, to discuss issues relating to bilateral economic and trade relations. He also met members of the Board of the Eurasian Economic Commission, Tatyana Valovaya and Andrey Slepnev, to forge co-operation between Hong Kong and the Eurasian Economic Union.

"Natural springboard"

Welcoming guests at a Chinese New Year reception hosted by the Hong Kong Economic and Trade Office, London, held



Above: Mr So (left) visits technology start-ups at the Skolkovo Foundation, Russia's most important science, technology and innovation development project.

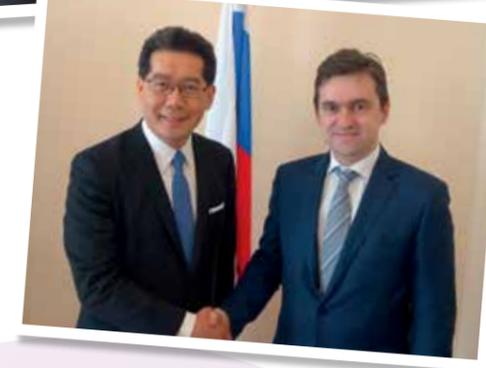
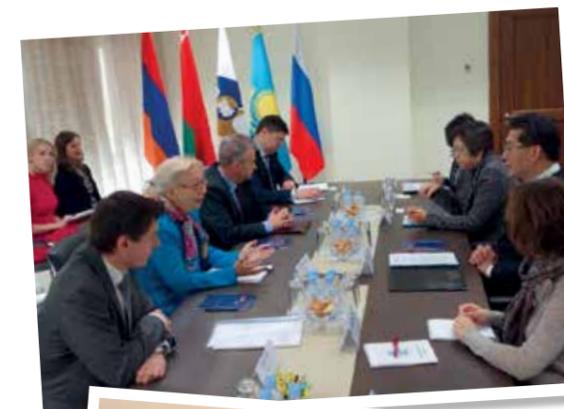
in Moscow, Mr So stressed that as an international financial centre and trading hub, Hong Kong is "a natural springboard to the buoyant Mainland China and Asian markets".

During his four-day visit Mr So also met Sergey Katyrin, President of the Chamber of Commerce and Industry of the Russian Federation, and Ilya Shestakov, Deputy Minister of Agriculture of the Russian Federation, to encourage Russian food procurers and producers to trade with Hong Kong.

Business opportunities

Speaking at a roundtable seminar on intellectual property trading, organised by the Hong Kong Trade Development Council, Mr So said: "With our sound financial and legal systems, low-tax regime and world-class service industries, Hong Kong is well poised to embrace the immense business opportunities brought about by intellectual property."

Before leaving Moscow, Mr So called on the Chinese Ambassador to Russia, Li Hui, and met George Kalamanov, Deputy Minister of Industry and Trade of the Russian Federation to exchange views on commercial and industrial co-operation. Mr So also visited some start-up companies at the Skolkovo Foundation, Russia's most important



science, technology and innovation development project, to promote Hong Kong's start-up ecosystem and encourage Russian technology companies to use Hong Kong as the gateway to enter the Mainland and other Asian markets.

Above top: Mr So (second right) meets members of the Board of the Eurasian Economic Commission, Tatyana Valovaya (second left) and Andrey Slepnev (first left).

Above: Mr So (left) with Stanislav Voskresensky, Deputy Minister of Economic Development of the Russian Federation.

●●● Finance

Mutual recognition of funds

Hong Kong and Mainland China have signed a memorandum of co-operation concerning the mutual recognition of funds in the two places.

The arrangement will allow eligible Mainland and Hong Kong funds to be distributed in each other's market through a streamlined vetting process and represents a significant milestone towards strengthening regulatory ties and cooperation.

Financial Secretary John C Tsang said: "This is the first mutual recognition of funds arrangement between the Mainland and a market outside the Mainland, which is a major breakthrough for the financial market."

The latest move follows the successful launch of Shanghai-Hong Kong Stock Connect last year, which allows investors in Shanghai and Hong Kong to trade shares on each other's market.



●●● Trade

“One Belt One Road” – a once-in-a-lifetime opportunity for Hong Kong

Hong Kong is excellently placed to take advantage of the ‘once-in-a-lifetime’ opportunities offered by the Central Government’s “One Belt One Road” initiative, according to Financial Secretary John C Tsang.

Speaking at the first international forum on the initiative in Hong Kong in July, Mr Tsang said “the Belt-Road initiative can provide the world economy with a fresh and much-needed impetus to the global growth outlook,” adding that it brings Hong Kong immense business opportunities.

The Central Government’s “One Belt One Road” initiative to build the Silk Road Economic Belt and the 21st Century Maritime Silk Road, also known as the “Belt-Road” economic corridor, will expand transcontinental connectivity and foster economic, political and cultural co-operation from Asia through Africa and on to Europe. The initiative is set to trigger massive investment in infrastructure, deepen financial integration, as well as expand trade and the building of people-to-people bonds on an unprecedented scale. The Asian Infrastructure Investment Bank, announced in October 2014, will become the key financial institution supporting Belt-Road infrastructural development.

Hong Kong’s pillar industries – trade and logistics, financial services, professional services as well as tourism – together with some of the emerging industries, including the creative and technology sectors, all stand to benefit from different aspects of the initiative.

Mr Tsang said that Hong Kong is well equipped to be a strategic partner of businesses around the world as they venture into the vast markets of the Belt-Road. Hong Kong’s strengths in financial services; its position as a fundraising and financial management hub, world’s largest offshore Renminbi business centre and a



global centre for asset management and risk management; as well as its deep pool of world-class professionals, make Hong Kong a natural choice for many companies looking to capitalise on the Belt-Road initiative.

Mr Tsang also emphasised Hong Kong’s unique advantages provided by the “One Country, Two Systems” framework. As one of the international financial and business hubs of the world, Hong Kong is extensively-connected with markets around the world, while enjoying a special intimate working relationship with the Mainland of China. “These attributes firmly place us as the principal gateway connecting the Mainland market with the 60 plus economies along the Belt-Road, in particular those emerging economies that dominate the landscape,” he said.

Above: Financial Secretary, John C Tsang, speaking at the “One Belt One Road” International Forum in Hong Kong

●●● Trade

Business opportunities for talent and companies in Gothenburg and Stockholm

To encourage more talent to work and attract more business to set up presence in Hong Kong, the Hong Kong Economic and Trade Office (HKETO), London participated in two business seminars held in Gothenburg and Stockholm, Sweden in September.

The seminars were organised by Magnusson and West Sweden Asia Gateway. As key speaker at the seminars, Erica Ng, Director-General of HKETO, outlined Hong Kong’s economic outlook and recent developments in a range of sectors including financial services and start-ups. Businesses wishing to establish in Hong Kong would be well placed to capitalise on Hong Kong’s uniqueness under “One Country, Two Systems” as well as its strategic geographical location and advanced infrastructure to gain access to the Mainland and Asian markets, she said. During her visit to Stockholm, Ms Ng also met with government ministries, business councils, and trade and investment promotion agencies to discuss ways to strengthen bilateral ties between Hong Kong and Sweden.



Above: Ms Ng (right) with participants at the business seminar in Gothenburg

Visit to Newcastle, Durham, Edinburgh



Erica Ng, Director-General of the Hong Kong Economic and Trade Office, London, visited Newcastle, Durham and Edinburgh in May.

In Newcastle and Durham, Ms Ng met business leaders and members of the Chinese community, including Hong Kong students at Newcastle University. Ms Ng was also the guest of honour at a dinner hosted by the Hong Kong Society North East

region. In Edinburgh, she met Humza Yousaf, Minister for Europe and International Development in the Scottish Government, business leaders and members of the Chinese community. She also attended a special screening at the Edinburgh International Film Festival of *Exiled*, by acclaimed Hong Kong film director Johnnie To (see page 4).

Above: Ms Ng (right) with Humza Yousaf, Minister for Europe and International Development (left) at the Scottish Parliament.

●●● Trade

‘Best airport’ award



Hong Kong International Airport (HKIA) has won the prestigious “Best Airport – Asia” prize at the 2015 Asian Freight, Logistics & Supply Chain Awards.

Nominations for the awards, which are designed to recognise consistency in service, innovation, customer relationship management and reliability are made by companies within the freight and logistics industry and voted for by readers of *Asia Cargo News*. HKIA was judged to have excelled in the development of infrastructure, cost competitiveness and air cargo ancillary services.

World’s busiest

A representative of the Hong Kong Airport Authority said: “While cargo volume at HKIA continues to experience steady growth, we will uphold the highest level of service excellence.”

HKIA is the world’s busiest cargo airport, handling 4.4 million tonnes last year, up 5.5% on the previous year. The airport also handled a record 64.7 million passengers last financial year, an increase of 6.6% on the previous year, making it one of the world’s 10 busiest airports.

Above: Hong Kong International Airport is the world’s busiest cargo airport and in the top 10 in the world for passenger numbers.

●●● Economy

Hong Kong tops fiscal freedom ranking

Hong Kong has again been voted the world’s freest economy by the Fraser Institute.

Among the five major areas of assessment, Hong Kong ranks first in “size of government”, “freedom to trade internationally” and “regulation”.

The Government welcomed the news, saying it affirms the city’s steadfast commitment to free market principles. It noted that it attaches great importance to Hong Kong’s economic freedom, and will strive to uphold the tradition of the rule of law and an independent judiciary, a small and efficient public sector, and a free and open business and trade environment, which are the cornerstones of Hong Kong’s economic success.

●●● Economy

World’s 2nd most competitive economy

Hong Kong is the world’s second most competitive economy, up from the fourth last year, according to the International Institute for Management Development World Competitiveness Yearbook 2015.

The rankings, which assess 61 of the most advanced economies, are based on economic performance, government efficiency, business efficiency and infrastructure. Hong Kong was ranked first for government efficiency and business efficiency and second overall, behind only the United States.

“This affirms the importance of our steadfast fiscal discipline, robust financial system, and favourable business environment,” said John C Tsang, Financial Secretary. “We will continue to consolidate Hong Kong’s institutional strengths and broaden the economic base on various fronts.”



Above: Hong Kong is ranked first for government and business efficiency in the World Competitiveness Yearbook 2015, and second overall.

●●● Travel

Top prize for immigration department

Hong Kong Immigration Department came out top in a survey of 13 million passengers from 112 nationalities between May 2014 and January 2015.

Receiving the 2015 Skytrax Award for Best Airport Immigration Service, Chan Kwok-ki, Director of Immigration, said he was pleased that the department’s efforts to shorten clearance times and provide quality services were “recognised by passengers from around the world”.



Left: Mr Chan (left) receives the 2015 Skytrax Award for Best Airport Immigration Service from Fred Lam, Chief Executive Officer of the Airport Authority Hong Kong.

Celebrating Hong Kong's culture

Pictures from recent events in the UK supported by the Hong Kong Economic and Trade Office (HKETO), London, to highlight Hong Kong's unique and diverse culture as well as its artistic talent.

Left: A record 44 dragon boat teams took part in the London Hong Kong Dragon Boat Festival 2015, which took place at the London Regatta Centre in the Royal Albert Dock in June. Thousands of spectators flocked to see this colourful annual event which featured a full day of dragon boat racing as well as live music, martial art demonstrations and dance. Dragon boat racing is an ancient Chinese tradition which has been transformed into a spectacular modern sport.



Above: The Hong Kong Arts Centre and Comix Home Base jointly organised a comics exhibition in Helsinki, Finland, during the Helsinki Comics Festival in August. The exhibition featured the artistic expression of Hong Kong as a city by some 30 comics artists from Hong Kong. The HKETO hosted a reception for the exhibition.



Above: The Hong Kong Children's Choir thrilled the audience at St John's Smith Square, London, in August. The choir, which has gained a worldwide reputation as "one of the best children's choirs in the world", was in London for the finale of their summer European tour. Led by Music Director and Principal Conductor, Kathy Fok, they performed a varied repertoire of songs from East and West, enhanced by colourful costumes and dance. The concert featured works by some of Hong Kong's best known and up-and-coming composers. The HKETO hosted a pre-concert reception for the choir.



Above: Acclaimed Hong Kong film director Johnnie To (left) spoke about his career at the *A Life in Pictures* event at the British Academy of Film and Television Arts (BAFTA) in London in June. Mr To was also invited to Scotland by the Edinburgh International Film Festival to attend a special screening of his film *Exiled*, and give a talk to share his experience in film. The HKETO hosted a reception for Mr To to mark the occasion. Mr To is pictured at the BAFTA event with presenter Ian Haydn Smith. Hong Kong is the third-largest film production centre in the world and its films have won over 300 international awards.



Above: Chung Ying Theatre Company staged a startling production of Robert Louis Stevenson's classic tale *Jekyll and Hyde* in London this summer, in a production with Redshift Theatre performed by a mix of UK and Hong Kong actors. Chung Ying is one of Hong Kong's leading professional theatre companies.



Above: Tang Shu-wing Theatre Studio's production of non-verbal play *Detention* was performed at the Edinburgh Festival Fringe. Actors in the play are pictured interacting with guests at the reception hosted by the HKETO.



Left: Macbeth in Cantonese. The HKETO hosted a reception to mark the world première of Tang Shu-wing Theatre Studio's production of William Shakespeare's *Macbeth*, performed in Cantonese, which was staged at Shakespeare's Globe Theatre, London, in August.



Above: The Hong Kong Chinese Orchestra (HKCO) staged three concerts in Helsinki, Finland as well as Tallinn and Parnu, Estonia in August, on the invitation of the Helsinki Festival and the Estonian State Concert Institute. Under the leadership of Artistic Director and Principal Conductor, Mr Yan Hui-chang, the HKCO performed a distinctive repertoire including new music pieces specially written for the concerts, taking the audience through an extraordinary "music odyssey to the Orient".

Year of the Ram

Pictures from Chinese New Year celebrations in London, Sweden, Russia and Denmark, organised by the Hong Kong Economic and Trade Office (HKETO), London.



Above: Renowned Hong Kong cellist Trey Lee performs at the Chinese New Year reception in Copenhagen, Denmark.



Above: Raising a toast to Chinese New Year at a reception in St Petersburg, Russia.



A spectacular "flying lion" display delights the crowds at the London Chinatown Chinese New Year celebration in Trafalgar Square, which is sponsored by HKETO



Above: Official guests toast the Year of the Ram at the Chinese New Year reception in Stockholm, Sweden.



Above: HKETO's Chinese New Year reception at the Whitehall Banqueting House, London, started with a performance by Hong Kong traditional music group Wuji Ensemble.



Above: Ms Ng and Björn Segerblom, Chairman of the Royal Sweden Hong Kong Business Council, at the Chinese New Year reception in Lund, Sweden.

●●● Education

UK sixth-formers win places at Hong Kong universities

Five gifted sixth-form secondary school students in the United Kingdom each won the chance to study at a Hong Kong university this summer, through a competition organised by the Hong Kong Economic and Trade Office (HKETO), London.

The competition is designed to encourage more students from the UK to go to Hong Kong to further their university education. Students had to describe why they think Hong Kong would be a great place to study in their presentation. Entries included essays, websites, blog entries and YouTube videos.

Each of the five winners of the **Hong**

Kong: A Dream Destination for University Study competition joined a summer course at a Hong Kong university to experience a taste of the city's world-class university life, as well as Hong Kong's cosmopolitan lifestyle and unique culture. The five winning entrants came from all around the UK. They were Natalie Jane Dearden from Oldham, Verity Parkin from Brighton & Hove, Zahra Farzanekho from London, Oliver Charlton from Chester and George Lam from Cirencester.

Sponsored by Cathay Pacific Airways and supported by the British Council and the Hong Kong Society, the competition has been running every year since 2012.



Left: Four of the five winning students in the **Hong Kong: A Dream Destination for University Study 2015** competition. Pictured with (front row, from left) Cherie Yeung, Deputy Director-General, HKETO; Erica Ng, Director-General, HKETO; Karen Luard, Chairman, Hong Kong Society, as well as (back row, from right) Angus Barclay, General Manager Europe, Cathay Pacific Airways; and Tom Thomson, Trustee, British Council.

FORTHCOMING EVENTS

Thursday, 15 October 2015

Hong Kong Trade Development Council Annual Dinner

Saturday, 14 November 2015

Hong Kong's entry in Lord Mayor's Show

Tuesday, 26 January 2016

Chinese New Year reception in Stockholm, Sweden

Wednesday, 27 January 2016

Chinese New Year reception in Helsinki, Finland

Tuesday, 2 February 2016

Chinese New Year reception in St Petersburg, Russia

Wednesday, 3 February 2016

Chinese New Year reception in Moscow, Russia

Wednesday, 17 February 2016

Chinese New Year reception in London, UK

Thursday 25, February 2016

Chinese New Year reception in Edinburgh, UK

Wednesday, 9 March 2016

Chinese New Year reception in Oslo, Norway

Thursday, 10 March 2016

Chinese New Year reception in Copenhagen, Denmark



The Hong Kong Economic and Trade Office, London, moved office on 1 September 2015

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