

Hong Kong Review

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CE urges new HK spirit

October saw the Chief Executive (CE), Mr Donald Tsang, outlining a new direction for Hong Kong's development in his first Policy Address of the Third Term Government. Speaking at the Legislative Council, Mr Tsang said he had full confidence in Hong Kong's future.

"The rise of our country brings new opportunities. It also ushers in a new era for Hong Kong," said Mr Tsang. "Over the next five years, we need to cultivate a new spirit for these new

times. We need to become new Hongkongers, better equipped to sustain developments in the new era.

Mr Tsang set out three 'guiding principles' to realise his vision over the next five years:

- Promoting economic development as a primary goal;
- Promoting sustainable, balanced and diversified development; and,
- Enhance social harmony to facilitate social mobility, help the poor, create job

opportunities and promote a caring culture in the community.

The CE also advocated the concept of 'Progressive Development' to achieve these goals. Apart from economic benefits, he said that Hong Kong should strive for benefits to culture, the society and the environment. Progressive Development emphasises sustainable, balanced and diversified development.

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Sound of Chinese music in Russia

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Financial Secretary visits London

Hong Kong's Financial Secretary, Mr John Tsang Chun-wah, visited London in October to highlight Hong Kong's role as a financial services centre for the world. He held meetings with key figures in the UK financial sector: John Stuttard, the Lord Mayor of London; Kitty Ussher MP, Economic Secretary to the UK Treasury; and Mervyn King, Governor of the Bank of England.

The role of Hong Kong was also the subject of a conference at which Mr Tsang gave a keynote speech. Organised by the Royal Institute of

International Affairs at Chatham House, the conference, titled 'Hong Kong 2007: Where Does Asia's World City Stand Ten Years after 1997, and where is it Heading?' provided the 200-strong audience with a fascinating opportunity to

hear different views on Hong Kong from speakers who included Lord Wilson of Tillyorn – former governor of Hong Kong – Stephen Green, Group Chairman of HSBC Bank, and Jonathan

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Financial Secretary Mr John Tsang meets young riders from London at a HK Tourism Board reception to promote the 2008 Beijing Olympics Equestrian events hosted by HK



Floating children at Lord Mayor's Show

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A380 flying over HK harbour

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Merry Christmas and a Happy New Year

Asia's world city

HONG KONG



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Financial Secretary Mr John Tsang toasts Hong Kong with UK Foreign Secretary Mr David Miliband (right) and HK Trade Development Council Chairman Jack So (centre), at the London Gala Dinner hosted by the HK Trade Development Council on 15 October

Fenby, ex-Editor of the South China Morning Post.

In his keynote speech, Mr Tsang said that Hong Kong has reinvented itself to meet the challenges of the modern age. "We have transformed from a 'Made in Hong Kong' economy to a 'Made by Hong Kong' economy," he said.

Mr Tsang was also Guest of Honour at the Hong Kong Trade Development Council's Annual Dinner in London, alongside UK Foreign Secretary David Miliband. He also attended a reception for a Hong Kong Film Retrospective at the Institute of Contemporary Arts and promoted Hong Kong's Olympic Equestrian events at an event hosted by the Hong Kong Tourism Board.

Justice Secretary elected to the Bench of Middle Temple

In October the Secretary for Justice, Mr Wong Yan Lung, SC, was elected as a Master of the Bench of the Middle Temple in London.

Speaking to fellow benchers, barristers, students and guests at the Bench Call Ceremony at Middle Temple on 2 October, Mr Wong said this was not merely a personal honour. It was an honour for the Hong Kong Special Administrative Region, and a great encouragement for all those working in the Department of Justice in Hong Kong, to uphold Hong Kong's common value in the rule of law.

"It is an important recognition of the successful implementation of the 'One Country, Two Systems' principle, 10 years after Hong Kong's reunification with the Mainland of China," he added.

The Middle Temple is one of the four Inns of Court in London exclusively entitled to call their members to the English bar as barristers; the others being the Inner Temple, Gray's Inn and Lincoln's Inn. A Master of the Bench or bencher is a senior



Mr Wong Yan Lung, SC, (front left) with the Minister of Justice of Finland, Ms Tuija Brax (front right) after the signing ceremony, witnessed by Special Representative for Hong Kong Economic and Trade Affairs to the EC, Duncan Pescod (centre)



The Secretary for Justice, Mr Wong Yan Lung, SC, (left) shakes hands with the Master Treasurer of Middle Temple, Mr Robert Seabrook, QC, at the Call Ceremony on 2 October

member of an Inn of Court.

Also elected a Master of the Bench was Mr Bertrand de Speville, former Commissioner of the

Independent Commission Against Corruption (1993 to 1996) and former Solicitor General (1992 to 1993) of the Department of Justice of Hong Kong.

While in London Mr Wong also met with Lord Chancellor Jack Straw. He was in London as part of a programme of meetings in the UK, Stockholm and Helsinki.

Security head visits Russia

During his visit to Moscow from 15 to 16 November, Secretary for Security Mr Ambrose Lee told his counterparts that Hong Kong remained one of the world's safest cities, with an overall crime rate lower than many other cities.

Providing an update on the latest developments in Hong Kong, and particularly the law and order situation, Mr Lee met the Russian Deputy Minister of Foreign Affairs, Mr Alexander Losukov; the Director of the Consular Department, Mr Vyacheslav Pavlovsky;

the Director of the First Asian Department, Mr Konstantin Vnuko, and the First Deputy Director, Federal Agency for Drug Control, Mr Alexander Fyodorov.

Mr Lee said that he looked forward to closer cooperation between Russia and Hong Kong in fighting cross-border crimes, including money laundering, terrorism and drug smuggling. At meetings with the Russian Ministry of Foreign Affairs officials, both sides agreed that greater travel convenience for people from both places



The Secretary for Security, Mr Ambrose Lee (2nd from right), and Miss Sarah Wu (3rd from right) meet the Russian Deputy Minister of Foreign Affairs, Mr Alexander Losukov (2nd from left), in Moscow on 15 November

would enhance the economic, social and cultural ties between Russia and Hong Kong.

Mr Lee also met the

Russian business sector and spoke about Hong Kong's various schemes to attract highly-skilled and talented people to Hong Kong.

Russia warms to Hong Kong style

Leading a high-level business mission organised by the Hong Kong Trade Development Council (HKTDC), Mr Frederick Ma, Secretary for Commerce and Economic Development (SCED) visited Moscow and St. Petersburg from 25 to 29 September to attend the Hong Kong Week organised by the London ETO, HKTDC and HKTB. Hong Kong Week represented a collaborative effort to raise the profile of Hong Kong in Russia and explore business opportunities in this fast-growing market.

In addition to meeting key representatives of government departments, business and tourism institutions, Mr Ma officiated at the opening of the 'Style Hong Kong in Moscow' Exposition and gave a keynote speech at the event's gala dinner and fashion show – accompanied by Miss Hong Kong 2007, Miss Kayi Cheung. Style Hong Kong in Moscow showcased a rich variety of high-quality brand products from more than 200 Hong Kong companies.

He was also guest of honour at two concerts by the Hong Kong Chinese Orchestra: at



Secretary for Commerce and Economic Development, Mr Frederick Ma (2nd from left); Miss Hong Kong 2007, Miss Kayi Cheung; China Ambassador in Russia, Mr Liu Guchang (2nd from right); Executive Director of Trade Development Council, Mr Fred Lam (right), and other officiating guests touring the 'Style Hong Kong in Moscow' Exposition



Mr Frederick Ma (sixth left) with the Hong Kong Chinese Orchestra on stage at the State Academic Capella in St Petersburg, Russia

the International House of Music, Moscow and at the St. Petersburg State Capella and aimed at introducing the Russian people to the vibrant culture and music of Hong Kong. This was the first time the orchestra has played in Russia.

In St Petersburg, Mr Ma

spoke to St Petersburg's business community at a seminar organised by the HKTDC. He told the packed crowd that Hong Kong offers an unrivalled "value-added connectivity" that would benefit overseas partners setting up operations in Hong Kong.

Czechs choose Hong Kong movies for festival

The third Filmasia festival, sponsored by, amongst others, the Berlin team of Hong Kong Economic and Trade Office, the Czech Ministry of Culture and the Hong Kong Trade Development Council, was held in Prague, Czech Republic, from 29 November to 2 December. The Hong Kong movie was chosen as the theme of the annual film festival, which also ran a tribute series to Hong Kong's director, Mr Johnnie To. About 200 guests attended the opening evening and enjoyed Mr To's latest work 'Mad Detective'. The audience also acquired a better understanding of Hong Kong: a trailer introducing the developments in the last decade was also shown before each movie.

Business seminars in Central Europe highlight opportunities in Hong Kong

In November, the Berlin team of the Hong Kong Economic and Trade Office (HKETO) co-organised – with the Hong Kong Trade Development Council – two business seminars in Prague, Czech Republic and Wroclaw, Poland. Both seminars aimed to highlight Hong Kong's role as the gateway to Mainland China for business.

At the seminars, Mr Stephen Wong, Director, Hong Kong Economic and Trade Affairs, Berlin (Designate), explained how Hong Kong's free market policy and professional

services could benefit foreign companies. As the world's leading free economy, he said, all foreign investors enjoy a level playing field in Hong Kong, which also has world class professional services in various areas including legal, financial, logistics, insurance and accounting.

He also introduced the latest policy initiatives and developed plans in Hong Kong which could provide more business opportunities and a better environment for Czech and Polish investors.



Mr Stephen Wong (left) delivered his presentation in Prague, with Mr Filip Korinek (HKTDC Consultant in Prague) (middle) and Ms Lore Buscher (Regional Director Europe, HKTDC) (right)

Floating children add mystery to London tradition at the 2007 Lord Mayor's Show

The traditions and culture of Hong Kong were reflected in a colourful display, organised by the HKETO, which provided a major attraction at the annual procession in London.



Clockwise from above:

A scale model of a Hong Kong Star Ferry provided a stage for London-based Hong Kong musicians

Chinese acrobat Cyrene Lee performs her tissue act – with Hong Kong emblem – high above the crowds at the Lord Mayor's Show

Passing the Lord Mayor's grandstand, as Cyrene Lee performs above, the 'Floating Children' were dressed in traditional Chinese dress; as a London 'Pearly King and Queen'; and as Olympic equestrian contestants, to celebrate Hong Kong's hosting of the Beijing 2008 equestrian events

The new Lord Mayor of London, Alderman David Lewis arrives at Mansion House in his golden carriage to mark the beginning of the Lord Mayor's Show



This year, Hong Kong once again enchanted the crowds at the City of London Lord Mayor's Show, with its biggest ever display at the event, held on 10 November. This is the third time that Hong Kong has been

represented at the Lord Mayor's Show, which has been held in the city every year since 1215. The show developed around the new Lord Mayor's journey to swear an oath of allegiance to the reigning monarch.

This year's Hong Kong display included three floats – making it the second largest entry in the procession. The floats not only included a full-size dragon boat and a Star Ferry carrying Chinese musicians but also a display of the mysterious Piaose or 'floating children' of Cheung Chau. For London, the display featured three pairs of young children dressed in specially-made outfits: traditional Chinese dress; a London 'Pearly King and Queen'; and Olympic equestrian contestants, to celebrate Hong Kong's hosting of the Beijing 2008 equestrian events. People watched in astonishment as small children seemed to float along above the crowd, apparently standing on another child's outstretched hand.

In addition, there was a breathtaking acrobatic display by Chinese tissue and hoop acrobat Cyrene Lee outside the Lord Mayor's residence at Mansion House. Combined with the colourful float entry, the Hong Kong entry was colourful and memorable.

Miss Sarah Wu, Director-General of the HKETO, London, which devised and

organised the display said: "This year's Lord Mayor's Show entry demonstrates the vibrant and colourful traditions and culture of Hong Kong. We have much to celebrate this year, the 10th anniversary of the creation of the Hong Kong Special Administrative Region. The Olympic element to our display demonstrates how proud we are to be hosting the equestrian events for the 2008 Beijing Olympics and underlines our links with London, Olympic City for 2012."

The Lord Mayor's Show attracts huge crowds on the city streets each year, while the BBC broadcasts it live to about two million people in Britain and globally. Hong Kong has a long tradition of working with the City of London and the Lord Mayor, who always makes a point of visiting Hong Kong during his tenure. This year's Lord Mayor, Alderman David Lewis, was born in Hong Kong.

The children, drummers and flag bearers were from the Medway Dragon and Lion Dance Association in Chatham, Kent, and the dragon boat team was provided and crewed by the Thames Dragon Boat Club based in East London.



Below: The Hong Kong float carrying a full-size dragon boat glides along the River Thames, but not in the water



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The CE outlined five main areas that would help Hong Kong rise to a new level of development and meet future challenges:

- Undertaking 10 major infrastructure projects for economic growth. The projects included new rail and road links to boost connectivity with the Mainland and enhance Hong Kong's transport network and a new cruise terminal at Kai Tak.
- Developing a quality city with quality life by improving the living environment, enhancing heritage protection and revitalising historic buildings.
- Investing in a caring society by returning wealth to the people through tax cuts and a rates rebate, promoting the development of social enterprises, providing more training and retraining opportunities, alleviating poverty and improving services for the elderly.
- Optimising the demographic structure and attracting talent by expediting the development of human capital and promoting healthy ageing. The Government will provide 12 years of free education from the 2008-09 school year, and boost Hong Kong's position as a regional education hub.



Education is high on the agenda in the Policy Address

A comprehensive review of the health care system will also be carried out.

- Developing democracy and enhancing governance by collating and summarising public views received during the consultation on constitutional development and submitting a report to the Central Authorities that faithfully reflects the community's views. The Government will also devolve management of more local facilities to District Councils and increase funding for minor district works projects.

"For these strategies to succeed, the Government, enterprises and individual citizens must each play their part. When people from different social strata and age groups, and people of different political views, all strive for progress and advancement, we will embark upon a new journey for a golden decade" said Mr Tsang.

The complete text of the Policy Address can be found at: <http://www.policyaddress.gov.hk/07-08/eng/policy.html>

Kai Tak cruise terminal moves closer

The new cruise terminal at Kai Tak (artist's impression right) is one of 10 major infrastructure projects announced in this year's Policy Address. It took a step closer towards realisation in November when the HK Special Administrative Region invited tenders for the project. The successful tenderer is expected to design, build and operate the new cruise terminal for

50 years – the first berth should become operational in February 2012.

The aim of this project is to develop Hong Kong into a leading regional cruise hub. A Tourism Commission spokesman said that the new cruise terminal – located at the southern end of the former Kai Tak airport runway, in the heart of Victoria Harbour – would "be iconic and project an image befitting the position

Key player as an international financial market

Hong Kong's economy is forging ahead on all fronts. This is the message Financial Secretary, Mr John Tsang, gave the Hong Kong Legislative Council on 26 October in a debate on the Policy Address. "Among the major sectors, the performance of the financial sector is particularly spectacular, a manifestation of the significant benefits brought about by the financial integration between the Mainland and Hong Kong. Hong Kong's status as an international financial centre has also strengthened further."

Here are some key

financial figures as at end October 07 showing Hong Kong's position in the world and Asia:

- Market capitalisation, at US\$2,973.8 billion Hong Kong is ranked 7th in the world and 3rd in Asia, according to the World Federation of Exchanges.
- IPO funds raised, at US\$26,131.2 million, Hong Kong is ranked 5th in the world and 2nd in Asia.
- Foreign Exchange trading: Hong Kong is the 6th largest centre of foreign exchange trading (total average daily net foreign exchange turnover – US\$175 billion). Reference BIS triennial survey.

People elect members to District Councils and Legco

The elections for the District Councils took place in November. Voters elected 364 representatives to seats in 18 District Councils across Hong Kong, choosing between 866 candidates (a further 41 representatives were returned unopposed in their seats). A total of 1,148,815 HK citizens cast their votes at 488 polling stations, representing a turnout of 39%. The previous District Council

Election was held in 2003.

The Legislative Council by-election for the Hong Kong Island geographical constituency took place on 2 December. Chan Fang Anson was elected with 175,874 votes to fill the vacant seat in Legco left by the death of Mr Ma Lik in August this year.

For further information on both the District Council elections and the Legco by-election, visit the Electoral Affairs Commission website, www.eac.gov.hk

of Hong Kong as Asia's world city and a major tourist destination". Further information can be found on the Tourism Commission website: www.tourism.gov.hk



International firms continue to flock to Hong Kong

Hong Kong remains the preferred city in Asia for overseas and Mainland companies with 3,890 companies as regional offices or headquarters out of the 6,440 representing parent companies located outside HK, according to a newly released annual survey by HK's Census and Statistics Department. Since the handover in 1997, the number of regional headquarters and regional offices has increased by 55%.

The United States topped the list of countries/territories with regional headquarters (298), followed by Japan (232), and the United Kingdom (124). The major lines of business of regional headquarters were wholesale, retail and import/export trades; business services; and transport

and related services.

Key factors favouring Hong Kong as a location for regional headquarters/local offices include: (1) A low and simple tax system; (2) Free flow of information; (3) Absence of exchange controls; (4) Corruption-free government; and (5) Communication, transport and other infrastructure.

The latest 'World Investment Report 2007', released in October by the United Nations Conference on Trade and Development (UNCTAD), showed that Hong Kong retained its position as Asia's second largest destination for foreign direct investment (FDI). Hong Kong attracted FDI valued at US\$42.9 billion during the 2006 calendar year, an increase of 28% on the previous year. www.investhk.gov.hk

A380 fly-past opened the world's largest aerospace expo

The Airbus A380, the world's largest passenger aircraft, passed over Victoria Harbour during its demonstration flight in September. With its image against the HK skyline being seen by millions of people all over the world, it brought a particularly high public profile of the Asian Aerospace International Expo and Congress 2007, the world's largest

commercial aviation and aerospace expo.

Held in HK for the first time, the Asian Aerospace Expo took place at the AsiaWorld-Expo of the multi-award winning Hong Kong International Airport from 3 to 6 September. Organiser, Reed Exhibitions, reported that the event attracted more than 500 exhibiting companies and over 11,000 trade visitors.



Good rankings in education

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

According to the report, HK universities host Asia's best executive business management programmes and research projects – EMBA offered by HKUST and CUHK ranked 1st and 15th respectively (Financial Times, Oct 07); MBA offered by HKUST, HKU and CUHK ranked 20th, 37th and 91st respectively in Top 100 MBA

2007 (Economic Intelligence Unit); CUHK's MBA ranked first in East Asia in 2004 Asia's Best MBA Schools (Asia Inc).

Separately, the finding of the Progress in International Reading Literacy Study (PIRLS) 2006 showed that HK students ranked second among 45 participating jurisdictions.

The performance of Hong Kong Primary Four students in the international study has improved by leaps and bounds, up from 14th place in PIRLS 2001.

HK is the second best performer in science, according to the latest Programme for International Student Assessment (Pisa) by the Organisation for Economic Cooperation and Development.

Batman flies over HK

An C-130 Hercules cargo aircraft flies low over Central Pier for the filming of aerial shots for the latest Batman blockbuster in November. The Caped Crusader flew into Hong Kong for the filming of 'The Dark Knight', the latest exciting installment in the Batman series of movies. Hollywood actors, stuntmen and film crew joined forces with the C-130 transport plane and some helicopters to shoot scenes set against the backdrop of Hong Kong's iconic skyline and stunning harbour. TELA (Television & Entertainment Licensing Authority) Commissioner Maisie Cheng said: "TELA welcomes the use of our city as a location for local

or international film productions and we have a dedicated Film Services Office to help out in this regard."



Hong Kong pianist makes anniversary tour

In a fitting finale to HKETO London's programme of events to celebrate the 10th Anniversary of the Hong Kong Special Administrative Region, Hong Kong pianist Colleen Lee performed at a series of concerts across the UK and Europe. With clarinettist David Wong and soprano Catherine Chan, Ms Lee played in London (left), Glasgow and Newcastle, but she also played a solo concert in Helsinki and another concert in Budapest (right).



Plaudits for HKTB from UK

The Hong Kong Tourism Board (HKTB) UK office has been voted Best Asia/Pacific Tourist Board in the British Travel Awards 2007. Regarded as the Oscars of the travel industry, the BTAs are among of the most widely recognised travel awards.

The award to the HKTB came only weeks after Hong Kong was voted Favourite Overseas City for the second year in a row in the UK's Guardian, Observer and Guardian Unlimited Travel Awards in October.

The UK is Hong Kong's biggest single source of visitors in Europe. Last year, arrivals from the country reached a new high of 516,495, with a further increase of 20.3% recorded in the first nine months of 2007.

New Year Countdown: Being set to become another signature event that draws international attention, HKTB unveiled details of a major New Year's

Eve spectacular "A Symphony of Lights – New Year Countdown" to be held 20 minutes before midnight on 31 December 2007. Staging from the rooftop and also on the façade of HK's iconic ifc2, the first time ever for HK, the countdown will begin with the multi-media show 'A Symphony of Lights' on both sides of Victoria Harbour. And just 20 seconds before the stroke of midnight, special pyrotechnic effects will light up the sides of ifc2 to welcome the new year. Other designated buildings will join the pyrotechnic display on their rooftops for two minutes after the clock strikes midnight.



To welcome the year 2008, special pyrotechnic effects will be arranged from the facade of the ifc2, the tallest building in Hong Kong, on the coming New Year's Eve. (Artist impression)



Kung Hei Fat Choi!

Forthcoming events

Chinese New Year receptions Jan – Mar 08:

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| Receptions or events in various cities | 14 February: Vienna, Austria |
| 30 January: Presov, Slovak Republic (Hong Kong Day) | 20 February: Budapest, Hungary |
| 4 February: Ljubljana, Slovenia | 21 February: Prague, Czech Republic |
| 5 February: Bratislava, Slovak Republic | 25 February: Oslo, Norway |
| 6 February: Moscow, Russia | 26 February: Birmingham, UK |
| 7 February: St. Petersburg, Russia | 4 March: Warsaw, Poland |
| 12 February: London, UK | 5 March: Helsinki, Finland |
| 13 February: Edinburgh, UK | 6 March: Stockholm, Sweden |
| | 7 March: Copenhagen, Denmark |

Hong Kong Chinese Orchestra's concerts in the UK

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| 14 March: Concert at Royal Festival Hall, London | 17 March: Concert at Birmingham Town Hall, Birmingham |
| 15 March: Concert at Bridgewater Hall, Manchester | 18 March: Concert at The Sage Gateshead, Newcastle |

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| May: Hong Kong Day Austria, Czech Republic and Slovenia | 8 June: Hong Kong Dragon Boat Festival in London |
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