

Hong Kong Review

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Financial Secretary John C. Tsang (centre), accompanied by Victor Lo (right), Chairman of Hong Kong Design Centre, is shown one of the 9707 exhibits at Harvey Nichols by designer Barney Cheng.

Journey of creativity

Financial Secretary John C. Tsang celebrates Hong Kong's creative achievements in London

Londoners got a glimpse of Hong Kong's creativity in June, during the biggest ever overseas promotion of Hong Kong design. Financial Secretary, John C. Tsang, joined 200 guests for the VIP launch of Creative Hong Kong in London at Knightsbridge's Harvey Nichols on 2 June.

The reception was part of Mr Tsang's two-day visit to the capital, which included meetings with the London Stock Exchange Chief Executive, Clara Furse, and Chinese Ambassador, Madam Fu Ying. The trip aimed to raise awareness

of economic opportunities in Hong Kong, as well as innovation and design.

Creative Hong Kong in London saw a series of events take place across the capital to celebrate the achievements of the city's thriving creative industries, which are valued at HK\$55 billion and employ more than 170,000 people.

The exhibition comes hot on the heels of similar events in Toronto and Milan earlier this year.

"In Hong Kong, the lifestyle is a unique fusion of East and West," said Mr Tsang. "People from all corners of the world contribute to our multicultural society, and this is often reflected in the creative achievements of our people."

Creative showcase

Shoppers at Harvey Nichols had the chance to view Hong Kong's creativity for themselves as ten exclusive products went on display to mark the launch of Creative Hong Kong in London.

The pieces were the result of collaborations between global brands, including Salvatore Ferragamo, Alessi and Georg Jensen, and Hong Kong designers such as Vivienne Tam, Eric Chan and Gary Chang. The creations were commissioned by the Hong Kong Design Centre in 2007 to mark the tenth anniversary of Hong Kong's reunification with China.

"It was a great way to highlight Hong Kong's reputation as a global

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Asia's world city

HONG KONG



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design centre and show the world that Hong Kong is, indeed, Asia's world city," said Mr Tsang.

To emphasise Hong Kong's creativity, another 100 examples were on display at London's Design Museum. The two-week exhibition included fashion, toys, environments and graphics, and featured designs from Raman Hui, Co-director of Shrek III, Chelsia Lau, Chief Designer at Ford Motors, and architect Rocco Yim. This proved a winning mix: on opening night, the museum saw an 800 per cent increase in visitors.

The work of six UK-educated Hong Kong artists was also celebrated in June, at the Celebration 60 exhibition, organised by the British Council Hong Kong. The event was part of wider celebrations to mark 60 years of the British Council in Hong Kong.

Down to business

Hong Kong's creative scene was also the focus of discussions at the Hong Kong Creative Business Forum on 3 June. The event, which was organised by the Hong Kong Design Centre and the London Business School, attracted more than 150 people from in the UK design sector.

The one day conference covered topics such as entering the China market, building a global design brand, the East/West axis and 'glocal' entrepreneurship. Speakers included Eric Chan from New York creative consultancy ECCO Design and Hong Kong-based British



Financial Secretary, John C Tsang meets the British Chancellor of the Exchequer, Alistair Darling.

55 billion

Hong Kong dollars is the worth of creative industries in Hong Kong

70,000 people

are employed by creative industries in Hong Kong

designer, Michael Young.

Opening the forum, Mr Tsang said: "We have a vibrant cultural scene and a cosmopolitan society that is fully engaged in the city's development. To enhance our status as a modern international city, we have a strong focus on developing arts and culture."

Mr Tsang told of projects back in Hong Kong that aim to make the region a centre for the arts in Asia. A 40-hectare site on the West Kowloon waterfront has been set aside to build a cultural district, featuring venues for performing arts, galleries and museums, as well as businesses.

"It will be our own version of the West End with a Manhattan skyline," Mr Tsang told delegates.

Opportunities for growth

The creative sector isn't the only part of Hong Kong's economy that is flourishing. The Financial Secretary told attendees at the Hong Kong Association luncheon meeting on 3 June that the February budget has opened up opportunities in sectors such as wine.

"I am confident we have what it takes, in terms of infrastructure, logistics and expertise, to play a leading role in the development of the industry in a region that is acquiring quite a taste for fine wine," Mr Tsang said.

Removing the duty on wine and beer has made the region a more attractive proposition for auctions.

// Creative Hong Kong was a great way to highlight Hong Kong's reputation as a global design centre. //

John C Tsang, Financial Secretary, Hong Kong



This chair from Herman Miller, designed by Eric Chan, was one of the striking 9707 products on display at the London Design Museum's Creative Hong Kong Exhibition.



Mr Tsang with some committee members of the Hong Kong Association. From left: Sarah Wu, Sir Adrian Swire, Lord Wilson, Mr Tsang, Henry Keswick, John Greenwood and Charles Allen-Jones.

But that's not the only advantage, added Mr Tsang. "It's about developing our city into a wine storage, distribution, exhibition and trading centre in Asia, which will create jobs and wealth for Hong Kong."

Islamic finance is one area to watch, Mr Tsang told guests. In November, he said, the Securities and Futures Commission authorised the first retail

Islamic fund in Hong Kong. Early indications were positive, he added: "In the first week it raised more than US\$20 million, and a few weeks later – at year-end – the fund had grown to US\$62 million."

"There is no doubting the potential for developing Sharia-compliant products in Hong Kong," said Mr Tsang. "We already have a well-developed financial system with deep and liquid capital markets and a sound regulatory regime."

Finally Mr Tsang met the Chancellor of Exchequer, Alistair Darling, and the Economic Secretary to the Treasury, Kitty Ussher.

Mr Tsang heads to Central Europe

Slovenia's Ljubljana, Austria's Vienna and the Czech Republic's Prague were all stops on Financial Secretary John C Tsang's trip to Central Europe.

The aim was to encourage local companies to make the best use of Hong Kong's expertise and contacts to establish themselves in the region. The visits took place prior to Mr Tsang's UK trip.

The trip began on 26 May with a business lunch co-hosted by the Chamber of Commerce and Industry in Slovenia where Mr Tsang met with Slovenia's Minister of Economy, Andrej Vizjak. He then travelled to Vienna on 27 May, meeting with the Austrian Vice-Chancellor and Minister of Finance, Wilhelm Molterer, among other government ministers, before addressing another business lunch and the media.

Mr Tsang said: "Almost 4,000 foreign or mainland companies have their regional headquarters or office in our city. This figure

has risen by over 50 per cent in the past decade, which makes us the most popular city in Asia for foreign companies."

He continued his visit on 29 May with a two day stop in Prague where he explained to Czech business people that Hong Kong was the best place in East Asia for developing their operations. Mr Tsang also witnessed the signing of a Memorandum of Understanding between the Law Society of Hong Kong and the Czech Republic Bar Association, which he said typified the Czech entrepreneurial spirit. A meeting also took place with the Governor of the Czech National Bank, Zdenek Tuma.

Mr Tsang said the journey was well worth the effort and he was pleased with the trip. He added: "In our different communities, we face many problems of a similar nature; working together gives us the best chance of finding solutions."



China's Ambassador to Slovenia, Zhi Zhaolin (front row, centre, at right) and the Financial Secretary, John C Tsang, with a group of Hong Kong business delegates.



Vladimir Jirousek (left), President of the Czech Bar Association, shakes hands with Lester Huang (right), President of the Law Society of Hong Kong, after the signing of a Memorandum of Understanding in the presence of Mr Tsang.

West Kowloon culture zone

The building of the West Kowloon Cultural District (WKCD) will go ahead, following the Legislative Council's approval of the project on 3 July and agreement to the endowment of HK\$21.6 billion.

Chief Secretary for Administration, Henry Tang, said: "The general public has expressed support for the early implementation of this important project, which promotes arts and culture, provides impetus to our economic activities, and creates jobs."

The Government will set up the WKCD Authority later this year to take the initiative forward.

Mainland agreement boosts trade links

Trade in services between Hong Kong and the Mainland got a boost in July with the signing of the latest supplement to the Closer Economic Partnership Arrangement (CEPA). The latest addition to CEPA agreed by the Hong Kong SARG and the Central People's Government introduces 29 liberalisation and facilitation measures covering 17 service sectors from banking to

construction and from tourism to medical – including two new sectors supporting the mining industry. In addition Hong Kong and Guangdong province have agreed on 25 additional liberalisation measures for early and pilot implementation.

At the signing ceremony, Chief Executive, Donald Tsang said that these measures would "offer new business opportunities in the Mainland

for Hong Kong businesses and service suppliers, making Hong Kong even more attractive to overseas investors." He believed that the Guangdong pilot measures would foster closer economic integration and further facilitate economic development in the region.

Further information on CEPA can be found at: <http://www.tid.gov.hk/english/cepa/index.html>.

ITC visit to Scandinavia

Commissioner for Innovation and Technology, Eddy Chan, visited Denmark and Sweden on 15-17 July, leading a delegation from Hong Kong Science & Technology Park and Innovation & Technology Commission.

The trip included visits to Copenhagen, Lund and Malmo, and the delegation gained insights into the Oresund Region's experience of promoting innovation, developing technology and working in collaboration.



The ITC delegation visited Malmo Incubator in the Western Harbour.

Flying Visits

This summer, secretaries spent time

Finland and Norway: Secretary for Education, 5-9 May



The Secretary for Education, Michael Suen, visited Helsinki

and Oslo in May to study the experience of Finland and Norway in teacher training, teaching of English and implementation of key education reforms. He met the State Secretaries in the Ministry of Education of both countries and the Education Committee of the Norwegian Parliament.



Mr Suen presents a souvenir to the State Secretary of the Minister of Education and Science, Helja Misukka, after their meeting in Helsinki on 7 May.

He also held discussions with the Science & Technology Policy Council of Finland, Academy of Finland and Norwegian Agency for Quality Assurance in Education.

Mr Suen also visited schools, teacher training colleges and universities in Finland and Norway, and gave speeches at events aimed at highlighting Hong Kong's strategy in nurturing and attracting talents.



On 9 May, the Secretary for Education, Michael Suen, visits the Ronningen Folk High School, the only folk high school in Oslo, Norway.

UK: Secretary for Food and Health, 14 May



The Secretary for Food and Health, Dr York Chow, accompanied

by Permanent Secretary for Food and Health and the Director of the Hospital Authority, visited Great Ormond Street Hospital for Children and the National Hospital for Neurology and Neurosurgery in London, holding discussions with senior management of the hospitals.



The Secretary for Food and Health, Dr York Chow (second left), meets Director of Redevelopment of Great Ormond Street Hospital Bill McGill (right).

UK: Secretary for Development, 11-14 May



The Secretary for Development, Carrie Lam, made an official visit to the UK in May to learn about the country's heritage conservation and urban regeneration work.

She attended a lunch hosted by the Hong Kong Association in London where she gave an update on the latest developments in Hong Kong.

Mrs Lam met the Chairman of the Covent Garden Area Trust Raymond Cooper, who briefed her on regeneration plans by Southwark Council officials; the Board of Trustees of Borough Market; and the UK's Chinese Ambassador.

A reception was hosted by the Institution of Civil Engineers where Mrs Lam gave a briefing on the implementation of major infrastructural projects in Hong Kong.

During her visit she also saw Oxford Castle, the Tate Modern and St Martin-in-the-Fields.



Mrs Lam visiting Oxford Castle, accompanied by the General Manager of Oxford Castle, Jean-Pierre Morilleau (centre) and Director-General of the Hong Kong Economic and Trade Office, London, Sarah Wu (right).



Secretary for Development, Carrie Lam (right) visits the Tate Modern, accompanied by Executive Secretary of Antiquities and Monuments Office, Tom Ming (left), and Commissioner for Heritage, Jack Chan (second left).

meeting key officials in Europe and Russia

Russia: Secretary for Financial Services and the Treasury, 3-6 June



The Secretary for Financial Services and the Treasury, Professor K C Chan, visited Moscow in June to promote Hong Kong's strengths and the opportunities for Russian companies and investors. In the opening address at the Conference on Listing in Hong Kong organised by the Hong Kong Exchange (HKEx), Professor Chan said: "As an international financial centre in the heart of Asia with strong global links, Hong Kong provides premium capital formation and global investment platform for enterprises worldwide.

Professor Chan met with Deputy Chairman of the Central Bank of Russia, Viktor Melnikov, and visited the Moscow Interbank Currency Exchange. He also attended a roundtable breakfast where he met with corporate leaders and briefed them on the latest developments in Hong Kong. Professor Chan also visited the Russian Federal Financial Markets Service.

Professor Chan tours the Moscow Interbank Currency Exchange.



Professor K C Chan speaks at a listing conference on 4 June in Moscow jointly organised by the Hong Kong Exchange, the Russian-Chinese Business Council and the All-Russia Organisation.

UK: Secretary for the Environment, 13-16 June



Secretary for the Environment, Edward Yau

visited London in June where he met with the Head of Environment, Greater London Authority and the Chief Executive of the Office of Gas and Electricity Markets.

He also met the Chairman of the Committee on Climate Change, the Manager of C40 Cities Secretariat, and the former Mayor of London, Ken Livingstone, exchanging views on environmental issues. Mr Yau also attended the Chatham House Conference on Climate Change.



SEN Mr Edward Yau speaks at Chatham House Conference on Climate Change on 16 June.

UK: Secretary for Constitutional and Mainland Affairs, 3-4 July



The Secretary for Constitutional and Mainland Affairs, Stephen Lam visited London and met with government officials including the Minister for Africa, Asia and the UN, and the the Hon. Ben Chapman MP, Chair, All-Party Parliamentary China Group. Mr Lam also met the Director of Chatham House and had lunch with representatives from the business and legal sector as well as the Hong Kong Association.

New appointments

The Chief Executive, Donald Tsang, has appointed the first batch of Under Secretaries and political assistants (pictured). The Under Secretaries are: Under Secretary for Commerce and Economic Development, Gregory So Kam-leung; Under Secretary for Constitutional and Mainland Affairs, Raymond Tam Chi-yuen; Under Secretary for Education, Kenneth Chen Wei-on; Under Secretary for the Environment, Dr Kitty Poon Kit; Under Secretary for Financial Services and the Treasury, Julia Leung Fung-ye; Under Secretary for Food and Health, Professor Gabriel Matthew Leung; Under Secretary for Home Affairs, Florence Hui Hui-fai; Under Secretary for Transport and Housing, Yau Shing-mu.

Visit www.ceo.gov.hk to find out more about them.



Vice-President visits Hong Kong

Following an invitation from the Special Administrative Region Government, Vice-President Xi Jinping arrived in Hong Kong on 6 July to be met by Chief Executive, Donald Tsang, for a three-day tour.

The visit was multi-purposed. One aim was to see the progress of the Olympic Equestrian events and venues. Mr Xi was impressed with what he saw, saying it showcased the implementation of "One Country, Two Systems."

Another reason for the visit was to meet people from the Hong Kong Monetary Authority (HKMA), officials from different sectors of the Government and locals, to better understand how they work and live.

At the HKMA, Mr Xi was briefed on projects such as the evolution of the Exchange Rate System as well as major infrastructure and development plans. A banquet was held in honour of Mr Xi that evening and Mr Tsang welcomed him, saying: "We are delighted to have the Vice-President in Hong Kong to offer the support and encouragement of the country."



Vice-President Xi visits a family in Ho Man Tin: Mr and Mrs Yu take out their photo album and share their memories.

The tour ended on 8 July with Mr Xi meeting members of government and volunteers who helped in the rescue efforts after the 12 May earthquake. He praised the volunteers for their devotion, heroism and professionalism.

Before his departure the Vice-President urged the Government and people of Hong Kong to unite and work together for a better future.



Vice-President Xi Jinping (front row centre), accompanied by the Chief Executive, Mr Tsang (front row second left), poses with Hong Kong athletes, coaches and volunteers at Sha Tin equestrian venue.

Opening doors to talent

The Immigration Department has begun implementing new measures under the Education Hub Policy making it easier for non-local students who have studied in Hong Kong to stay on.

The measures work in conjunction with the Quality Migrant Admission Scheme, which has seen almost 500 applicants of various professions being admitted to Hong Kong since its inception in June 2006, and has increased economic development and international profile.

Secretary for Security, Ambrose S K Lee said: "Attracting top talent from around the world is imperative to maintaining our competitiveness. The Security Bureau and the Immigration Department will continue to introduce more facilitating measures for non-local talent."

E-channel service

To make arrival in Hong Kong easier for regular visitors, the Immigration Department has extended its e-channel service. Frequent visitors to Hong Kong who have registered on the system can now perform self-service immigration clearance at the Hong Kong International Airport. More information at www.immd.gov.hk

Supporting Sichuan

Hong Kong has been at the forefront in helping its fellow citizens suffering the after-effects of the devastating earthquake that hit the mainland on May 12, killing nearly 70,000 people and leaving nearly five million people homeless in Gansu, Shaanxi and Sichuan Provinces. The government has established a HK\$2bn trust fund to support reconstruction work in the stricken areas, adding to the HK\$333m already sent for emergency financial aid.

Immediately after the earthquake, Hong Kong sent search and rescue teams

into the area to assist the Mainland authorities. Then in June, Chief Executive Donald Tsang led a government delegation including Chief Secretary Henry Tang on a three-day visit to Sichuan to discuss with the provincial authorities how Hong Kong could assist in the reconstruction process. Mr Tsang also established a steering committee led by the Chief Secretary to coordinate relief and construction works. Mr Tsang said: "We hope to put together government and private sector resources to do some very useful work in the



Chief Executive Donald Tsang (right) and the Hong Kong government delegation visit the quake-hit city of Dujiangyan.

rebuilding of Sichuan."

In July, LegCo President Hon Rita Fan and a



Vice-President Xi Jinping (left) meets members of the Hong Kong search and rescue teams deployed to Sichuan after the 12 May earthquake.

delegation of Legislative Councillors visited the earthquake-stricken area.

Olympic spirit

Anticipation is building as the Olympics approach, as Hong Kong prepares to welcome teams from 42 countries - with more than 200 horse/athlete combinations - to the Equestrian events. In May, Hong Kong was the Olympic Torch Relay's first stop on Chinese soil after crossing five continents. The relay arrived there on 2 May with 119 torchbearers carrying the flame and spreading the Olympic spirit.

In preparation, the Hong Kong Tourism Board (HKTB) had unveiled the Olympic rings fronting the Victoria Harbour the night before. The structure measures 15 by 35 metres, and each ring has a 10 metre diameter. The rings will be lit every evening until 31 December, further enhancing the city's views and opportunities for sightseeing. Chairman of the HKTB, The Hon James Tien said of the

Olympic rings: "They will become a landmark at the harbourfront and provide a perfect backdrop for visitors' photos of Hong Kong."

The 2008 Olympic Equestrian Exhibition should also encourage sightseeing. It opened on 17 June and will run until 28 September. The exhibition is being staged by the Hong Kong Racing Museum, in collaboration with the Olympic Museum in Switzerland, to give the public a better understanding and appreciation of equestrian sport and to share the unique event. A collection of over 200 exhibits and photographs is on display giving visitors an insight into the origin and spirit of the Olympic Games.

The developments will contribute to the growing tourism figures released by HKTB. In 2007 tourism spending totalled HK\$140 billion, an increase of 16.4 per cent on the previous year.



The Olympic Torch Relay in Hong Kong ended successfully on 2 May. The Olympic Flame was carried through Kowloon, the New Territories and Hong Kong Island by foot, horse, dragon boat and vessel (above & below).



Stephen Kai Wong, Director, Hong Kong Economic and Trade Affairs (Central Europe) and Jiří Zedníček (right), Vice President, Czech Olympic Committee, who was briefed on preparation for the Olympic equestrian events.



The disciplined services perform a sea parade to mark the 11th anniversary of the establishment of the HKSAR.

11th Anniversary celebration

The 11th Anniversary of the Establishment of the Hong Kong Special Administrative Region of the People's Republic of China was celebrated on 1 July. This was a significant period for China due to the aftermath of the devastating earthquake in Wenchuan and the excitement of the

Beijing Olympic Games.

Chief Executive, Donald Tsang said: "We have demonstrated the virtue of 'When one place suffers misfortune, aid comes from all sides'. I am confident that Chinese people will rise to all challenges and emerge from these difficulties even stronger."

Global success

- Demonstrating its openness to international trade and investment, Hong Kong has taken the top position in the World Economic Forum's Enabling Trade Index. The Global Enabling Trade Report 2008 places Hong Kong first out of 188 countries, which include Singapore, Sweden and Norway. More information on the Enabling Trade Index can be found at www.weforum.org
- Research company Skytrax has also named Hong Kong International Airport the world's best airport for the seventh time in eight years. The survey polled over 8.2 million travellers of almost 100 nationalities.

More than 190 airports around the world were rated on some 40 product and service categories, including staff efficiency and courtesy, cleanliness of terminals, airport accessibility, shopping and dining options, as well as security processing and immigration waiting times.

Dragons on the water



Ready Steady Go – the winning entry by Olli Geibel in the Sing Tao Photo Competition at the London Hong Kong Dragon Boat Festival 2008.

More than 20,000 people came along to enjoy this year's London Hong Kong Dragon Boat Festival, which took place at the London Regatta Centre in the Royal Albert Dock on 8 June.

More than 40 teams of rowers from corporate and public sector organisations competed on the 250m course, many of whom wore fancy dress.

The winners were: recruitment consultants Neumann International, who won the Bank of East Asia cup; law firm Clifford Chance, who won the Hong Kong Economic and Trade Office cup; and club team Raging Dragons, who won the final club race.

Crowds were entertained with an afternoon of cultural performances from lion dancing and dragons to kung fu and live music. There were also market stalls and a children's play area.

Event organisers included the



Wilfred Thomas Patterson's photograph titled The Power, was runner-up in the Sing Tao Photo Competition.

London Chinatown Chinese Association, the London Chinatown Lions Club, Hong Kong Executives Club and Spectrum Radio Chinese Community Network. The event was also supported by the Hong Kong Economic and Trade Office, London.



Riga film festival

The Hong Kong Economic and Trade Office in London is sponsoring the Hong Kong film retrospective being held at the biennial Riga International Film Forum 'Arsenal' from 12 to 21 September.

The festival includes work from Baltic and foreign filmmakers with the view of introducing the local audience to international films. Films to be shown include *After This Our Exile* by Patrick Tam and *Everlasting Regret* (left) by Stanley Kwan.

Forthcoming events

27 June – 28 September: Artist Tsang Kin-wah's installation at Chinese Arts Centre in Manchester.

8 – 14 August: Hong Kong Film Panorama in Vienna.

4 September: The 20th Anniversary reception of Norway Hong Kong Trade Association.

12 – 21 September: Hong Kong Film Programme at the Riga International Film Forum 2008, Latvia.

8 November: Hong Kong entry at the London Lord Mayor's Show.

18 November: Hong Kong Trade Development Council Annual Hong Kong Dinner, London

Visit www.hketolondon.gov.hk for updates

LegCo elections on 7 September

Hong Kong goes to the polls on 7 September to elect the Legislative Council (LegCo). Hong Kong citizens will elect 30 members representing the five geographical constituencies in Hong Kong and 30 representing the 28 functional constituencies, such as legal, architectural, and financial services. The term of office will run for four years from 1 October 2008.

When nominations closed on August 1, 117 candidates had put themselves forward for election: 57 for the geographical constituencies and 60 for the functional constituencies. Approximately 530 polling stations across Hong Kong will open from 7.30am to 10.30 pm on polling day.

More information on the elections can be found at www.elections.gov.hk.