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Tsang unveils policy priorities for 2007

Economic development, families and the environment will be the three main priorities for the Government over the coming year, said the Chief Executive, Mr Donald

Tsang, as he unveiled this year's Policy Address. Growing the economy would be achieved through several avenues, including the expansion of Renminbi business in the

Special Administrative Region, attracting more foreign financial institutions to set up shop there and streamlining border trading procedures with the Mainland.

Increasing support for families would take the form of helping parents pay for pre-school education, improving kindergarten facilities and providing better services in under-developed districts.

Environmental measures would include providing financial incentives for drivers both to dispose of elderly diesel vehicles and to adopt new, low-emission models.

Mr Tsang also promised to lead discussions on moving towards a democratic political system in Hong Kong. He said the Commission on Strategic Development was intensively studying all issues relating to the future development of the political system, and aimed to sum up its findings in 2007: "I firmly believe that this is the most practicable way in our quest to realise universal suffrage for the election of the Chief Executive and the Legislative Council."

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Chief Secretary Hui in London

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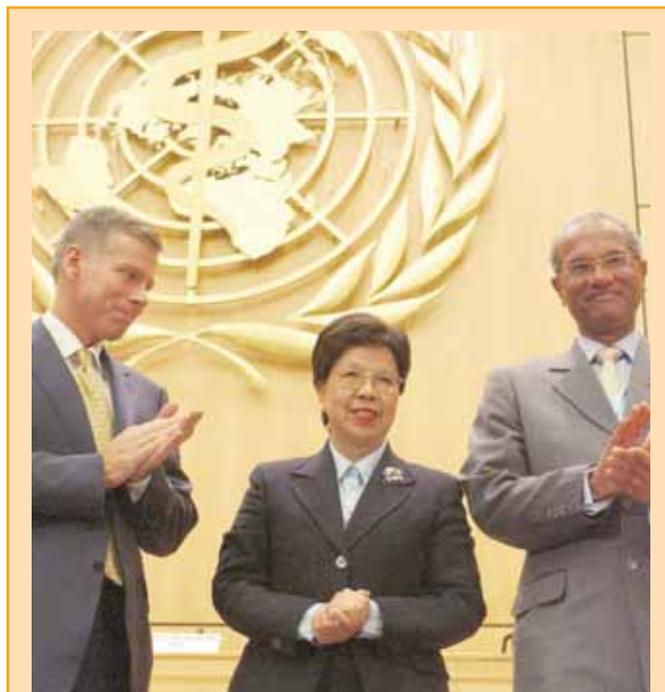
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Chan becomes WHO Director-General

Dr Margaret Chan, formerly Hong Kong's Director of Health, has been appointed Director-General of the World Health Organization. She is the first Chinese person to head a UN body.

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Asia's world city

HONG KONG



New political 'roadmap' planned

Hong Kong's Chief Secretary, Mr Rafael Hui, told an influential London audience of his disappointment that the Government's package of proposed democracy measures had not won the necessary two-thirds majority in the Legislative Council (LegCo) despite being backed by public opinion.

They had represented "a significant step" towards universal suffrage and it was "very regrettable" they had not been able to clear the LegCo hurdle.

The Government's main challenge now was to forge community consensus on the best way forward and discussions were taking place in the Commission for Strategic Development, whose membership was drawn from a broad spectrum of the community. It was planned to set out a



Right: UK Minister for Industry and the Regions, Ms Margaret Hodge, with the Chief Secretary for Administration, Mr Rafael Hui, and the Hong Kong Trade Development Council Chairman, Mr Peter Woo, pose for a commemorative photo at the annual HKTDC Hong Kong Dinner.

'roadmap' for universal suffrage in the first half of 2007. It could not be ignored that this roadmap had to follow the

Left: Former Hong Kong Governor Lord Wilson of Tillyorn (far left) welcomes the Chief Secretary for Administration, Mr Rafael Hui, to a round-table breakfast discussion with the Hong Kong Association (HKA) in London. Miss Sarah Wu, Director-General of the Hong Kong Economic and Trade Office in London looks on with Mr Henry Keswick (right), HKA Joint Vice-Chairman.



principles set out in the Basic Law of gradual and orderly progress.

"If we are seriously to move forward," Mr Hui told the annual dinner of the Hong Kong Trade Development Council in London, "all the principal players – the democratic camp, other factions in LegCo, the business sector and the Government – have to achieve a meaningful compromise.

"As in most mature and educated communities, domestic politics over time would tend to converge towards the centre. Agreement must be reached on electoral arrangements for 2012."

Apart from that cloud on the horizon, Hong Kong was enjoying a sustained economic recovery, with GDP up 7.3 per cent last year and 6.6 per cent in the first half of this year, he said. Trade figures were good, investment was up and consumer confidence high. Unemployment, at 4.7 per cent, was at a 62-month low. And despite

this expansion, inflation had remained at a modest 2 per cent in the first nine months of the year.

One sign of this healthy economy was the continuing steady influx of foreign executives and their families. This growing international community had expressed concern at Hong Kong's air pollution levels and the Government was setting rigorous targets – in co-operation with neighbouring Guangdong – to improve this situation by 2010.

Mr Hui touched on several major measurements by which Hong Kong was rising through the ranks of the world's financial markets. Its success in this field meant that, almost a decade after reunification with the Mainland, "Hong Kong thrives as a staunchly capitalist, free market economy". And in doing so, it was making a considerable contribution to the development of China as a whole.

Prague partners sought



Mr Stephen Ip, Secretary for Economic Development and Labour, participated in a seminar organised by the Trade Development Council for business partners in Prague on 13 September. More than 250 people attended the seminar, where he briefed the audience on Hong Kong's latest economic situation. He also discussed investment opportunities in the Mainland and Hong Kong. During his stay Mr Ip met Government officials, representatives from the

tourism and logistics sectors.

Mr Ip (second from left) is pictured at the seminar with (from left) Mr Serge Fafalen, Managing Partner, S.G. Fafalen; Mr Jeffrey Lam, Council Member, Hong Kong Trade Development Council; Mr Michal Rozkydálék, Branch Manager, CzechTrade, the National Promotion Agency of the Czech Republic; and Mr Miroslav Okrouhly, Director, Asia and Pacific Department, Ministry of Industry and Trade.

Bid for Budapest business after free trade pact

Hungarian companies were urged to take advantage of the Closer Economic Partnership Arrangement between Hong Kong and Mainland China as part of their expansion plans for the region, the Secretary for Commerce, Industry and Technology, Mr Joseph Wong, told a Budapest audience.

Describing CEPA as "a free trade pact between two autonomous trading partners within the same nation", Mr Wong commended Hong Kong's location as a gateway to the Pan Pearl River Delta region. The seminar was organised by the Hong Kong Trade Development Council and Hong Kong Economic and Trade Office in London. Mr Wong assured Hungarian enterprises



that Hong Kong would help them grasp business opportunities both in Hong Kong and in Mainland China.

During his stay in Budapest, Mr Wong (left) also met senior government officials including the Ambassador-at-large and former Prime Minister, HE Peter Medgyessy, the Minister of Economy and Transport, Dr János Kóka, the President of the National Office for Research and Technology, Dr Miklós Boda, as well as the Chinese Ambassador to Hungary,

HE Zhu Zushou, and leaders of key business organisations and chambers of commerce. Mr Wong was interviewed by a leading Hungarian newspaper and addressed a lunch attended by senior executives from the information technology sector before leaving Budapest.

Chan named head of WHO

Hong Kong's former Director of Health, Dr Margaret Chan, has been appointed Director-General of the World Health Organization (WHO).

Dr Chan, 59, is the first Hong Kong resident to become head of a major international organisation in the health field. She was nominated by the WHO's 34-strong Executive Board and confirmed by the World Health Assembly on 9 November.

Setting out her priorities, she commented: "I want us to be judged by the impact we have on the health of the people of Africa, and the health of women."

"This is a health organisation for the whole world. Our work must touch on the lives of everyone, everywhere. But we must focus our attention on the people in greatest need."

Dr Chan became a well-known public figure in her field following her record of leadership in fighting disease first in Hong Kong, and more recently at WHO. During her nine-year tenure as Director of Health, Dr Chan confronted the first human outbreak of H5N1 avian influenza in 1997 and successfully defeated Severe Acute Respiratory Syndrome (SARS) in Hong Kong in 2003.

She joined WHO in 2003 and rose to the position of Representative of the Director-General for Pandemic Influenza as well as Assistant Director-General for Communicable Diseases. Dr Chan obtained her medical degree from the University of Western Ontario in Canada and a public health degree



China's Minister of Health, Mr Gao Qiang (right) congratulates Dr Margaret Chan (centre) at the World Health Organization headquarters in Geneva following her election as Director-General.

from the National University of Singapore. Senior Hong Kong officials were swift to congratulate Dr Chan on her election. The Chief Executive, Mr Donald Tsang, said it was a great honour for the nation and the people of Hong Kong. He was sure that Hong Kong's population of seven million would feel "enormous happiness" and pride that a local woman had reached such heights.

More widely, he was sure the entire

Chinese nation would be happy to know that for the first time, a Chinese would head a United Nations organisation such as the WHO.

The Central Government in Beijing, as well as the SAR Government of Hong Kong, had played their part in supporting Dr Chan's nomination. He was sure that her experience in fighting major public health problems such as avian flu and SARS would be a major asset to the WHO.

Hong Kong stages b



Hong Kong sprang a sweet surprise on crowds watching this year's Lord Mayor's Show in the City of London when it unveiled a full-size replica of a Cheung Chau Bun Tower complete with bun-pickers and 5,600 buns.

The bun tower festival began as a ceremony to placate the spirits of people killed by plague on Cheung Chau Island in the late 19th century and the procession is carried out on Buddha's birthday (a public holiday in Hong Kong) so that everybody can enjoy the festival.

The London Bun Tower was modelled closely on the Cheung Chau original and was a 52-foot-high structure erected between the Bank of England and the Lord Mayor's official residence, the Mansion House.

It was 11.5 feet wide at the base, weighed 3.5 tons with 3.5 tons of ballast inside, and was designed to withstand winds of 40 mph. The steel core was overlaid with bamboo poles and then wrapped in tissue paper, on which 5,600 replica buns were then glued.

The Hong Kong Economic and Trade Office (HKETO) London, devised and arranged the entry.

A team of 10 acrobats and belayers trained for weeks to master the art of 'scrambling' up the towers while picking off buns and packing them into sacks slung over their shoulders. The acrobats also dropped a banner to salute the new Lord Mayor of London, Alderman John Stuttard.

Miss Sarah Wu, Director-General of the HKETO, said: "This race to the top is emblematic of Hong Kong's constant striving to achieve excellence. We aim to provide Asia's best environment for success."

It was the second time the Hong Kong Special Administrative Region has entered the 800-year-old event, which dates from King John's Charter to the City in 1215.

Crowds line the streets in the City – normally almost deserted at weekends after the financial markets close – and the BBC broadcasts the procession live to about two million people in Britain and beyond.



Left: The scale of the replica Cheung Chau Bun Tower required heavy cranes to be brought in to help erect the structure.

Below: The HKETO invited the East London youth group, the Ascension Eagles Cheerleaders, to share the 'stage area' in front of the Bun Tower. The Cheerleaders were part of the UK entry in 2004's Chinese New Year Night Parade held in Hong Kong.



un bonanza

The tower was in a prime position on the procession route, directly outside the Lord Mayor's official residence, the Mansion House.



CE seeks economic equilibrium

This year's Policy Address seeks a balance between encouraging economic growth and improving the lives of the people of Hong Kong who drive that growth.

With that in mind, measures such as further liberalisation of regulations to consolidate Hong Kong's position as an Asian financial hub sit alongside family-friendly proposals including greater Government support for kindergartens and new initiatives to improve air quality.

On the economic front, Chief Executive Mr Donald Tsang said the State Council was actively pursuing the expansion of Renminbi (RMB) business in Hong Kong.

The convergence of telephony, broadcasting and the Internet will see legislation introduced to form a new Communications Authority and to introduce a regulatory framework to promote innovation and competition.

To boost the local film industry a Hong Kong Film Development Council will rationalise the existing government and public organisation framework of support for the sector.

In the employment field, Mr Tsang acknowledged there was a debate on whether to legislate for a minimum wage and standard working hours.

The Government believed "the pragmatic approach at this stage is to provide wage protection through non-legislative means".

It would therefore work with representatives of workers and employers to launch a Wage Protection Movement for employees in the cleansing and guarding services sector, with a review after two years.

If this voluntary approach was unsuccessful, the Government would be prepared to legislate to ensure minimum wage levels were upheld.

Turning to the second main area of his address, Mr



The importance of family harmony as a foundation for community harmony is shown in the range of pro-family measures announced in the Policy Address.

Tsang reiterated the importance of the family's role in creating community harmony.

The Government is therefore considering establishing a Family Commission responsible for policies and initiatives to support families.

Families will be helped to get the most from early childhood education:

- HK\$70 million will be given this school year for kindergartens to improve facilities and resources.

- An 'education voucher' system will be introduced from the 2007-08 school year to provide fee relief for pre-school students between 3 and 6 years of age.

Mr Tsang said the Government also supported

the establishment of an Academy for Gifted Education to nurture high-achieving students aged 10 to 18.

Meanwhile, he promised more resources and facilities for some districts, including Tin Shui Wai and Tung Chung, to improve the pro-family environment there. New facilities such as libraries, recreation centres and swimming pools would be funded.

The Chairperson of the Women's Commission, Ms Sophia Kao, said her organisation was "most pleased to see the Chief Executive's positive response to its call for creating a family-friendly environment to foster work-family balance and family solidarity".

Similarly, the Education Commission's Chairman, Dr Rosanna Wong, welcomed the investment for both young children and the gifted.

Mr Tsang said Hong Kong deserved and could afford a better living environment. Measures to improve air quality would include:

- Earmarking HK\$3.2 billion over three years to encourage the owners of 74,000 older diesel vehicles to replace them with models meeting the latest Euro IV emission standards;
- Reducing first registration tax by up to HK\$50,000 for low-emission, high fuel-efficiency vehicles.
- A trial scheme on waste charging would be launched.

Concluding his address, Mr Tsang said political development was among three major challenges facing the third SAR Government, along with sustaining economic development and building a harmonious society. "These are the thorny issues we need to consider, to tackle and to solve.

"An optimist sees every challenge as an opportunity; a pessimist only sees trouble in every opportunity. I am an optimist and I believe most of us in Hong Kong are, too."



Improving Hong Kong's air quality is moving steadily up the political agenda.

Cable car takes to the sky as Disney celebrates



Financial Secretary Mr Henry Tang enjoys a ride on a Ngong Ping cable car as the attraction formally opens to the public.



Guests and 'cast members' show off the giant cake that marked Hong Kong Disneyland's first birthday.

The Ngong Ping 360 Skyrail officially opened to the public on 18 September.

Financial Secretary Mr Henry Tang opened the 5.7km cable car ride between Tung Chung and Ngong Ping on Lantau Island, praising the addition of a further major attraction to Hong Kong's tourism portfolio.

The Skyrail "combines nicely with other attractions

in Ngong Ping, such as the Big Buddha, the Po Lin monastery and the Path of Wisdom", he said. It also helped to open up other areas of Lantau to tourism.

Mr Tang noted that since its unofficial opening two months previously, 280,000 visitors had already ridden on the Skyrail.

Meanwhile, Mickey Mouse hosted a party on 12 September to celebrate

Hong Kong Disneyland's first birthday.

A giant cake saluted the city with a "Thank you Hong Kong" message.

Bill Ernest, Executive Vice-President and Managing Director, Hong Kong Disneyland, said: "We are excited to see the continued growth during our Grand Opening year and are proud to be a part of the Hong Kong community."

Awards boost for Tourism

Hong Kong's position as a tourism hotspot has been confirmed by a flurry of international awards.

Hong Kong was voted Favourite Overseas City by readers of *The Guardian* and *The Observer* in the Guardian Unlimited Travel Awards 2006. It was the only Asian city to feature in the poll's top 10.

The UK is the biggest single source of visitors to Hong Kong from Europe. Total UK arrivals in 2005 reached a new high of almost 465,000, with a rise of 8 per cent recorded in the first eight months of 2006.

Overall visitor arrivals in September exceeded 1.83 million, according to the Hong Kong Tourist Board, a 2.4 per cent increase on the same month last year.

Total cumulative arrivals for the first nine months of 2006 now stand at more than 18.57 million – a 9.5 per cent rise on 2005.

Meanwhile, Hong Kong International Airport (HKIA) was honoured at the annual *TTG Asia* Travel Awards.

HKIA was named Best Airport for the fourth consecutive year. Factors behind its success included the efficiency of its immigration and baggage-handling facilities, high-grade customer services and general user friendliness.

Cathay Pacific Airways was voted Airline of the Year; the Hong Kong Convention & Exhibition Centre was ranked Best Convention and Exhibition Centre; the Landmark Mandarin Oriental triumphed in the Best New City Hotel Category; and the Express By Holiday Inn Hong Kong took the title of Best Budget Hotel.

CX merger synergy

Cathay Pacific Airways has concluded its merger with Dragonair, a move that will bolster Hong Kong's position as a regional aviation hub and bring major synergies to both carriers' operations.

Cathay will gain access to Dragonair's extensive route network to the Mainland, while the smaller carrier will be able to offer its passengers onward long-haul connections.

Cathay Pacific Chief Executive Mr Philip Chen said: "This marks the culmination of two years of complex negotiations. It is a very proud moment for our airline group and a significant milestone in the development of aviation in Hong Kong."

New cruise terminal

Tourism facilities in Hong Kong have received a boost with Government plans to develop a new cruise terminal at Kai Tak.

Announcing the development, the Secretary for Economic Development and Labour, Mr Stephen Ip, commented: "The development is important for Hong Kong to capture the growth of the cruise industry in Asia Pacific Region, and sustain its development as a regional cruise hub."

Kai Tak is the only site within Victoria Harbour with the capability to provide two or more alongside berths without reclamation.