



Financial stability amidst social unrest

Reassurance from Financial Secretary Paul Chan



Mr Chan addresses the Hong Kong Dinner in London.

Hong Kong Financial Secretary Paul Chan visited the UK in October to meet government officials and senior business and finance leaders.

Speaking at the annual Hong Kong Dinner, organised by the Hong Kong Trade Development Council, Mr Chan said that the protests in Hong Kong, combined with a difficult global situation, meant that the Hong Kong economy grew just 0.5% in the first half of 2019. “Given the external headwind and domestic social unrest, we need to brace ourselves for the very likely eventuality of a negative growth for the full 2019,” he added.

Acknowledging the severity of the protests, Mr Chan underlined the Government’s commitment to continuing the dialogue. Changes in policy were needed too, he said, such as those announced recently to expand house building to ease the severe shortage in

Hong Kong. “I would not pretend it’s a magic bullet, but it can help with the situation,” he said.

Financially stable

Despite the economic downturn, the underlying financial situation continues to be stable, said Mr Chan. “If you look at our stock market, our banking system, our fund flow, [our currency], there’s little to suggest that we have been going through a testing time since early June, both as a society and as an economy,” he added. “Despite our social incidents, [Hong Kong] continues to do what we do best. And that’s connect – and excel – with companies and economies, east and west.”

Standard & Poor’s and Moody’s, two financial services credit rating companies, have both recently affirmed Hong Kong’s AA+ long-term credit rating, and rated its outlook as “stable”, Mr Chan noted. The IMF has also recently praised Hong Kong’s resilience (see page 3).

Competitive

Speaking at a luncheon organised by the Hong Kong Association, Mr Chan said the downturn in the Hong Kong economy was hitting SMEs hard. “SMEs are the heart and soul of the Hong Kong economy,” said Mr Chan, who recently announced a range of measures designed to support small businesses and safeguard jobs (see page 3).

But Mr Chan stressed Hong Kong’s continued financial stability. Hong Kong was still attractive to businesses because of its “unique institutional strength and

unparalleled competitiveness” which remain intact despite the challenges facing Hong Kong, he said. Mr Chan noted there were now around 9,000 overseas and Mainland Chinese companies with offices in Hong Kong (up around 10% since 2017). This includes over 700 UK companies.

Hong Kong is a leading financial centre and China’s global financial centre, and that is not about to change, he added. Referring to the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, he said both will create major opportunities for Hong Kong and the companies that partner with it.

Continued on page 2...



Above: Mr Chan (second left) at the Hong Kong Dinner in London. Also pictured: John Glen (second right), UK Economic Secretary to the Treasury; Peter Lam (first left), Chairman of the HKTDC; and Margaret Fong (first right), Executive Director of HKTDC.

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Fintech delegation to London



Above: A fintech delegation led by Mr Chan (centre) visits the Accenture Fintech Innovation Hub in London.

During his visit Mr Chan led a fintech delegation of about 20 members to meet with UK industry figures, to strengthen financial innovation ties. The group visited the Accenture Fintech Innovation Hub to get an update on fintech trends, such as virtual banking, as well as Level 39, the largest start-up incubator in Europe, to learn how it supports technology start-up companies.

At a fintech roundtable discussion, organised by the Hong Kong Economic and Trade Office, London, Invest Hong Kong and the UK Department for International Trade, Mr Chan spoke about the significant fintech developments in Hong Kong, particularly in smart banking. The fintech delegation also had the opportunity to network with their counterparts from the UK and explore business opportunities.

Green finance

Mr Chan also attended a green finance roundtable discussion, organised by HSBC and Hong Kong Economic and Trade Office, London (HKETO). Hong Kong arranged and issued US\$11 billion in green bonds last year, said Mr Chan, triple that of 2017. In May, the government issued its inaugural green bond.

While in London, Mr Chan also met John Neal, Chief Executive Officer of Lloyd's of London, and had a meeting with Matthew Chamberlain, Chief Executive of the London Metal Exchange, to discuss the outlook for the commodities trading markets in both places. Mr Chan also met Mark Carney, outgoing Governor of the Bank of England, to exchange views on various issues including supervisory cooperation, green finance and the global economy. He also saw Andrew Bailey, Chief Executive of the Financial Conduct Authority, to exchange views on further promoting co-operation in financial innovation.

UK-Hong Kong partnerships

On his last day in the UK, Mr Chan met Sajid Javid, Chancellor of the Exchequer, to exchange views on strengthening Hong Kong-UK partnerships.

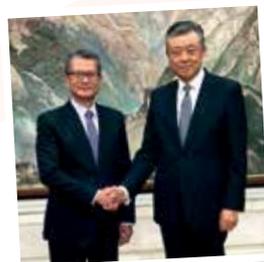
He also met Members of Parliament to update them on the latest developments in Hong Kong and brief them on the Government's response to the protests and demands from Hong Kong citizens.

Right: Mr Chan (fourth left) taking part in a green finance roundtable discussion in London.



Left: Andrew Bailey (right), Chief Executive of the Financial Conduct Authority, pictured with Mr Chan.

Right: Students in the Hong Kong Scholarship for Excellence Scheme meet Mr Chan during his visit to London.



Above: During his visit, Mr Chan made a courtesy call on Liu Xiaoming (right), the Chinese Ambassador to the UK.



Above: Mr Chan (third right) and Winky So (second left), Director-General, HKETO with members of the All Party Parliamentary China Group of the United Kingdom Parliament in London.



Above: Mr Chan (front row, fourth right) pictured with members of the Hong Kong Association committee. Others include: Winky So (front row, first right), Director-General, HKETO; Dr Peter Lam (front row, second left), Chairman of the Hong Kong Trade Development Council (HKTDC); and Margaret Fong (front row, first left), Executive Director of HKTDC.

Right: Mr Chan (fifth left) attends a roundtable discussion on asset and wealth management for projects under the Belt and Road Initiative and Greater Bay Area development, organised by HKETO and the City of London, supported by HM Treasury.



●●● Business

Hong Kong Fintech Week

The fourth annual Hong Kong Fintech Week took place last November, attracting over 12,000 people from around 60 places.

Presentations, exhibitions and networking events gave people the chance to gather in-depth knowledge about virtual banking, blockchain, future technologies, wealthtech and other financial technology (fintech) topics. Organisers also created a special Deal Floor, where businesses could meet to discuss fintech opportunities and make deals.

Trade delegations from 18 economies attended the event, including from Mainland China, the UK, Russia, Japan, Mexico, Canada and France. Delegates also visited Shenzhen to learn more about the development of fintech in the Mainland as well as the potential of the Greater Bay Area and Hong Kong's roles in it.

Opening the event, Hong Kong Financial Secretary Paul Chan spoke about the role of the Government in supporting the development of fintech. This is part of the Government's strategy, he said, noting that there are now over 600 fintech companies operating in Hong Kong. "Many of them see Hong Kong as their business bridge to the region and, in particular, to Mainland China," he said.



Above top: Hong Kong Fintech Week attracted more than 12,000 people from over 60 economies.

Above: Around 250 world-class speakers shared their knowledge and experience during Hong Kong Fintech Week.



Above: Learning about virtual banking, blockchain and future technologies.

One highlight of the week was the final of the FintechHK Global Competition, co-organised by InvestHK and Alibaba Entrepreneurs Fund. The winner, sync., will benefit from an investment commitment of up to US\$500,000.

●●● Economy

IMF commends Hong Kong's resilience



Prudent economic policies have given Hong Kong a significant buffer to help it navigate through challenging economic times, IMF officials said, following their visit to Hong Kong late last year.

Welcoming the IMF assessment, Financial Secretary Paul Chan said the government was well-placed to cushion possible shocks to Hong

Kong's economy and financial system, amid weakened economic activity and the challenging global outlook. "We are prepared to roll out further relief measures if necessary," he said. Buffers already in place include sizeable foreign exchange reserves, banks' strong capital positions and large fiscal reserves.

Hong Kong's economic activity weakened significantly in 2019 and fell into a technical recession in the third quarter. Hong Kong's real Gross Domestic Product is expected to contract by 1.2 per cent in 2019 and return to positive growth of 1 per cent in 2020.

The IMF also reaffirmed its support for the LERS (linked exchange rate system), which sees the value of the Hong Kong dollar linked to that of the US dollar, to ensure stability.

●●● Economy

Small businesses get extra support

The Hong Kong Government has announced a series of measures designed to support SMEs during the unprecedented political and economic turbulence facing Hong Kong.

Water and sewage charges will be cut by 75% for non-domestic purposes from 1 December 2019 to 31 March 2020, for example, subject to a monthly cap. Non-residential electricity account holders will also receive a subsidy to cover 75 per cent of their monthly billed electricity charges for four months, also subject to a cap.

To help parents and support employment, a subsidy will be given to kindergarten and primary and secondary day-school students to alleviate parents' financial burden. The government will also pay one month's rent for lower income tenants living in the public rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society.

"The measures have been designed to safeguard jobs, help our SMEs and, in general, lessen the financial difficulties the people of Hong Kong are now grappling with," said Financial Secretary Paul Chan. In total, the assistance adds up to over £2 billion.

••• Culture

London East Asia Film Festival



Above: Winky So, Director-General, HKETO, speaking at the closing gala screening of *I'm Livin' It*.

Hong Kong films featured prominently in the 2019 London East Asia Film Festival, which took place late last year.

Celebrated Hong Kong actor Aaron Kwok won the Best Actor Award for his performance in *I'm Livin' It*, while Hong Kong film *G Affairs* won a special jury mention. This is the fourth year that the Hong Kong Economic and Trade Office, London (HKETO) has partnered with the festival to feature a Hong Kong programme as part of the festival.

A number of Hong Kong films were screened including a special series starring Aaron Kwok (*After This Our Exile*, *Cold War* and *I'm Livin' It*), as well as two movies made respectively by young directors Oliver Chan (*Still Human*) and Lee Cheuk-pan (*G Affairs*) with the support of the Hong Kong Film Development Fund.

Aaron Kwok attended the festival to talk to audiences about his work. Director Lee Cheuk-pan also held a Q&A session with the audience after the screening of *G Affairs*. The other Hong Kong films screened were *European Raiders*, *Three Husbands* and *Butterfly*.

"The Festival featured 60 films from 11 economies and I am proud to note that nine of them were on the Hong Kong programme," said Winky So, Director-General, HKETO, speaking at the closing gala.



Above: Aaron Kwok (second right), winner of the Best Actor award and Director Wong Hing-fan (second left) at an audience Q&A session at the closing gala screening of *I'm Livin' It*.



Above: LEAFF Festival Director Ms Hyejung Jeon (centre) pictured with actor Aaron Kwok (left).

Below: Aaron Kwok, winner of the Best Actor award, at an audience Q&A session at the closing gala screening of *I'm Livin' It*.

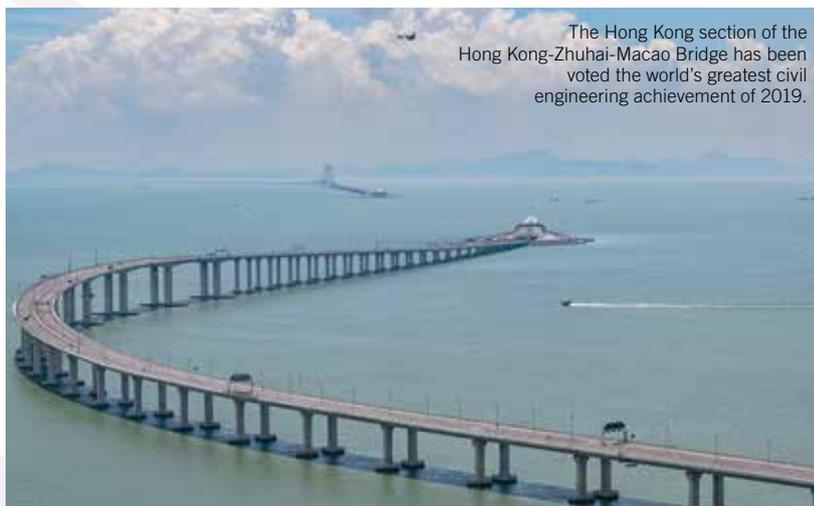


Above: Film director Lee Cheuk-pan (left) at the festival, where his film *G Affairs* received a Special Jury Mention for its audacious, innovative writing and direction.

●●● Travel

World's best 2019 civil engineering project

The Hong Kong section of the Hong Kong-Zhuhai-Macao Bridge (HZMB) has been named the world's greatest civil engineering achievement of 2019, receiving the Institution of Civil Engineers (ICE) People's Choice Award.



The Hong Kong section of the Hong Kong-Zhuhai-Macao Bridge has been voted the world's greatest civil engineering achievement of 2019.

At 55 kilometres, HZMB is the world's longest bridge and tunnel sea crossing, connecting Hong Kong, Zhuhai and Macao. "This is a true mega-project and one which has rightly been voted as the winner of the People's Choice Award 2019," said Seán Harris, ICE Director of Membership. "Civil engineering is about making society both safer and fairer for all who live, work and socialise there. HZMB creates a close-knit, better designed integrated transport system which will enhance the lives of residents and travellers."

The HZMB was chosen as the people's favourite from a shortlist of 10 projects worldwide including The Shed arts centre in New York City, the Colwyn Bay Waterfront in Wales, and a children's surgery in Leeds, England. The annual competition recognises civil engineering projects that have made a positive impact on their local communities, with the final winner decided by a global public vote.

●●● Education

Hong Kong students are world-class

Hong Kong students are ranked fourth in the world for reading and mathematical literacy in a new international study conducted by the Organisation for Economic Co-operation and Development (OECD).

The study measures the reading, mathematical and scientific literacy of 15-year-old students in 79 economies around the world. Conducted every three years, the Programme for International Student Assessment (PISA) also saw Hong Kong students ranked ninth in the world for scientific literacy.

"The achievements can be attributed to the efforts of schools and teachers, as well as the support of various stakeholders in providing quality education," said a spokesperson for the Hong Kong Education Bureau. The results also show that the socio-economic status of Hong Kong students seems to have less effect on their performance compared to students in other participating areas.

Whole-person development

The results of the latest assessments build on the success of the 2015 scores, which saw Hong Kong students ranked second for reading and maths, and ninth for science. The Education Board said it would continue to build on previous curriculum reform in order to maintain and develop students' attainment.

The board's focus was on facilitating students' learning and nurturing high-level thinking, generic skills and positive values to achieve whole-person development, rather than on international rankings, the spokesperson added.

●●● Travel

Airport extension opens

The new Terminal 1 extension at Hong Kong International Airport welcomed its first passengers in November. The terminal, which has been improved as part of a major project to increase the airport's capacity, now has 369 check-in counters and will also have over 100 smart check-in kiosks once completed. Terminal 2 has now been temporarily closed for similar expansion.



●●● Lord Mayor's Show 2019

Dragon boat floats across the City of London

An almost full-size dragon boat paraded through London as the centrepiece of the Hong Kong float at the City of London Lord Mayor's Show in November.

The huge dragon boat replica, carefully crafted to look like an authentic dragon, and complete with a team of paddlers wielding LED-lit oars, celebrated the annual Tai O Dragon Boat Water Parade, one of the more traditional aspects of Hong Kong's culture.

For over a century the Dragon Boat Water Parade has taken place in the remote village of Tai O in the deep south of Lantau Island, to pacify the wandering water ghosts. The accompanying dancers and loud Chinese drumming at the Lord Mayor's Show evoked the river on which the boats race.

Tradition

"The Dragon Boat Water Parade of Tai O is an important part of our intangible cultural heritage that bonds the local communities together," said Winky So, Director-General of the Hong Kong Economic and Trade Office, London, which organised the float. "While Hong Kong is best known as an international business and financial centre, our float this year brings out a more traditional side of our city."

The annual Lord Mayor's Show celebrates the swearing-in of the new Lord Mayor of London, who serves as a global ambassador for the United Kingdom's financial services sector. More than half a million people take to the streets to see the parade each year, while the BBC broadcasts it live to millions of people in Britain and globally.



Above and left: A Hong Kong dragon boat floats past St Paul's cathedral as part of this year's Lord Mayor's Show.



Right: The Lord Mayor of London's golden coach arrives at the Royal Courts of Justice.



Left: The Hong Kong float is cheered by the huge crowd lining the streets of London.



●●● Culture

Hong Kong Museum of Art

The Hong Kong Museum of Art (HKMoA) has reopened after its four-year renovation. The museum, which preserves the cultural heritage of China and promotes Hong Kong art, has greatly expanded its exhibition space and now has an impressive glass façade to make it stand out on the Tsim Sha Tsui waterfront.

Established in 1962 as the city's first public art museum, HKMoA has a rich collection of works encompassing Chinese painting and calligraphy, Chinese antiquities, China trade art, and modern and Hong Kong art. The newly-renovated museum has 11 exhibitions spaces and more than 17,000 works of art.

Left: The newly-reopened Hong Kong Museum of Art stands out on the Tsim Sha Tsui waterfront, Kowloon.

●●● Culture

Tiny island hosts eco arts festival

The tiny Hong Kong island of Yim Tin Tsai became an open-air museum for one month recently as part of an arts festival to encourage green tourism.

Yim Tin Tsai once had a population of 400 supported by salt-making (the island's name means Little Salt Pan in Cantonese) but has been largely uninhabited in recent years. The aim is now to bring the island back to life sensitively through green tourism, to reconnect people with nature.

The month-long festival saw 17 artworks created by local artists, youngsters and villagers, including a sculpture made from trees brought down by super-typhoon Mangkhut in 2018, which doubled as a bench. Visitors could also take part in special workshops to learn how to make local craft items such as Hakka tea cake and also salt.

The conservation of the island's St. Joseph's Chapel and the revitalisation of its salt pans have won the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation. The island, in the Eastern New Territories, is a 20-minute ferry ride from Sai Kung Pier.



Above: The Sanctuary of Salt installation is inspired by the characteristics of salt crystals and their relationships with people and nature.



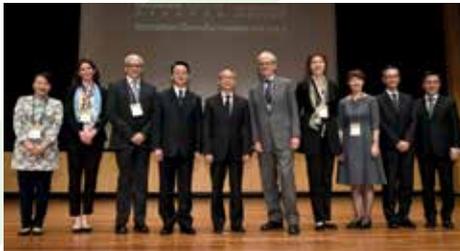
Above: The island of Yim Tin Tsai is less than one square kilometre.



Below: The island's original inhabitants made their living from the salt pans.

●●● Culture

Museums in the 21st century



Leading figures from the museum world gathered in Hong Kong for the second Museum Summit, which opened at the Hong Kong Convention and Exhibition Centre in November.

Speakers from the world's leading museums and art galleries shared details of how their institutions were reinventing themselves in order to remain relevant in the contemporary world – through new facilities, exhibitions and programmes, and by reaching out to younger and more diverse audiences.

Speakers included Sir Richard Lambert from the British Museum in London, who spoke about transition and change at the museum, and Eike Schmidt of the Galleria degli Uffizi in Italy, who spoke about the role of museums in the 21st century.

New challenges

In his opening remarks, Secretary for Home Affairs Lau Kong-wah said that Hong Kong aspires to be at the forefront of museum development. The summit would provide a timely platform for discussion as a time when museums around the world are facing new challenges brought about by new technologies, rapid changes in people's lifestyles and booming choices for cultural activities, he added.

The event was hosted by Hong Kong's Leisure and Cultural Services Department in partnership with the British Museum, and was planned to coincide with the reopening of the Hong Kong Museum of Art following its large-scale renovation (see page six).

Above: Leading figures from the museum world gather in Hong Kong for the second Museum Summit.

●●● Sport

World-class cycling comes to Hong Kong



Over 300 world-class track cyclists took part in the Hong Kong stage of the 2019–20 UCI Track Cycling World Cup recently – a qualifier for the 2020 Tokyo Olympics next year.

Hong Kong's cycling queen Sarah Lee stormed to her third World Cup gold this season in the Women's Sprint, while Harrie Lavreysen of the Netherlands won gold in the Men's Sprint. Cyclists from over 36 places competed at the event, which took place at Hong Kong velodrome.



Left: Hong Kong's Sarah Lee (centre) celebrates her third World Cup gold.

●●● Sport

Hong Kong women's rugby team visit Scotland



Above: Members of the Hong Kong women's rugby team and other guests as a reception in Edinburgh to mark the team's first visit to Scotland.

Hong Kong women's rugby team made their first-ever tour of Scotland last November. The team played twice against the Scotland women's squad before heading to Holland for two test matches.

A special reception for the team, sponsored by the Hong Kong Economic and Trade Office, London, was attended by 60 guests. The Lord Provost of Edinburgh and the Hong Kong Rugby Union CEO, Robbie McRobbie, paid tribute to the strong business, educational, cultural and sporting links between Scotland and Hong Kong.

The climax to the evening was a Q&A with Gemma Fay, Head of Women's Rugby for Scottish Rugby, and Dr Karen So, the Hong Kong captain. Both talked passionately about their teams' respective roads to the 2021 Women's World Cup in New Zealand, and the challenges that lie ahead.

For the Hong Kong team, this European tour is a critical part of their preparation for the World Cup next March, where they will face Japan and Kazakhstan.

●●● Cinema

The Original Ass Kickers

Feistier, tougher versions of femininity on-screen have been widely welcomed in recent films such as *Wonder Woman*. But it's often overlooked that female stars have long kicked ass in some of Hong Kong's finest movies.

A recent season of six films at HOME arts centre in Manchester, curated by Andy Willis, Professor of Film Studies at the University of Salford, saluted Hong Kong's on-screen fighting women.

Movies such as *The Heroic Trio* (1993), *My Young Auntie* (1981) and *Executioners* (1993) were screened to appreciative audiences, showing the continuing interest in Hong Kong films amongst Manchester cinema-goers.

"HOME's selection of 'Original Ass Kickers' are the film stars who are the role models for today's global female action heroes," said Mr Willis. "For these women, the parts of demure courtesans, shy adolescents or wallflowers were just not enough. They were more than happy to punch and kick their way into new roles, and their formidable acting, fighting and stunt skills ensured that they have become legends of East Asian cinema." The screenings were supported by the Hong Kong Economic and Trade Office, London.



FORTHCOMING EVENTS

Sunday 26 January 2020

Chinese New Year celebration, Trafalgar Square and Shaftsbury Avenue in London, UK

Wednesday 29 January 2020

Chinese New Year reception, London, UK

Friday 31 January

Greater China Bites Seminar & Greater China Awards 2020 Dinner, Manchester, UK

Tuesday 4 February 2020

Chinese New Year event, Copenhagen, Denmark

Wednesday 5 February 2020

Chinese New Year reception, Oslo, Norway

Thursday 6 February 2020

Chinese New Year reception, Stockholm, Sweden

Thursday 6 February 2020

Chinese Art Now Festival's dance performance: Lighthouse, London, UK

Saturday 8 – Sunday 9 February 2020

Chinese Art Now Festival's children theatre: Boh Boh's New Friends, London, UK

Tuesday 25 February 2020

Chinese New Year event, Helsinki, Finland

Wednesday 26 February 2020

Chinese New Year reception, Moscow, Russia

Monday 6 April – Tuesday 7 April 2020

Hong Kong Arts Festival Pavilion of a Hundred Flowers Cantonese Opera, London

FOR HONG KONG EVENT DETAILS:



hketolondonuk



@HKinLondon
@InvestHK_LDN



hketolondon.gov.hk
investhk.gov.hk



Hong Kong Economic and Trade Office, 18 Bedford Square, London, WC1B 3JA
Tel +44 (0)20 7499 9821 Fax +44 (0)20 7323 2336
Email general@hketolondon.gov.hk Website www.hketolondon.gov.hk
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