

HONG KONG REVIEW



New cruise terminal opens

The new Kai Tak Cruise Terminal in Hong Kong welcomed its first liner when cruise company Royal Caribbean International's *Mariner of the Seas* made its maiden voyage to Hong Kong in June.

When completely finished in 2014 the two-berth terminal, which enjoys spectacular views over Victoria Harbour, will further boost Hong Kong's image as Asia's cruise hub, providing facilities for the largest cruise ships in the world.

Designed by architects Foster + Partners, the Kai Tak Cruise Terminal is built on the site of the legendary Kai Tak airport, which closed in 1998 with the opening of Hong Kong International Airport at Lantau.

The visit by *Mariner of the Seas* gave a first glimpse of the new terminal in action and gave over 3,000 passengers a chance to enjoy Hong Kong's sights and culture.

The second of the two berths at the new terminal is due for completion in 2014. Both berths can accommodate the largest cruise ships (up to 220,000 gross tonnes) in the world.



Above: Royal Caribbean's *Mariner of the Seas* becomes the first cruise ship to dock at Kong Kong's new Kai Tak Cruise Terminal, welcomed by a traditional lion and dragon dance. Photo: Hong Kong Tourism Board.

Great potential

Royal Caribbean is the first company to call the Kai Tak Cruise Terminal its home port. "We see Hong Kong to have great market potential," said Dr Zinan Liu, Royal Caribbean Cruise Ltd's Regional Vice President in Asia.

Philip Yung, Hong Kong Commissioner for Tourism, said: "Hong Kong is in full gear to receive mega cruise ships. This terminal will become a best-loved venue for Hong Kong people to enjoy and take pride in our Victoria Harbour."

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●●● Finance

Budget for Hong Kong's future development



In his 2013-14 Budget, Financial Secretary John Tsang unveiled a range of measures designed to support the development of Hong Kong's pillar industries – trade and logistics, tourism, financial services, and business and professional services.

Delivering the first budget of the new-term Hong Kong Government in February, Mr Tsang said Hong Kong would continue to strengthen its trade links with emerging markets in order to boost exports. Trade in goods with Brazil, Russia, India, Mainland China and South Africa had grown by over 40% in five years, he said, with bilateral trade with Russia increasing 150%. *Continues on page 4*

Left: The Financial Secretary, John Tsang, presented the 2013-14 Budget to the Legislative Council on 27 February.

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UK students win Hong Kong university places (page 7)



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Year of the Snake

The Year of the Snake was welcomed in style at colourful celebrations in nine cities across five European countries during February and March, organised by the Hong Kong Economic and Trade Office (HKETO), London.

LONDON, UK



Over half a million people attended the London Chinatown Chinese New Year Celebration on 10 February, said to be the biggest Chinese New Year event outside Asia. As part of the celebration, HKETO, London, sponsored a stage in London's Chinatown where local performers delighted the crowds.



A traditional lion dance entertains spectators at the annual London Chinatown Chinese New Year Celebration, sponsored by HKETO, London.



The new Director-General of HKETO, London, Erica Ng, welcomes over 700 guests to London's Whitehall Banqueting House for a reception to mark the Chinese New Year.



A vibrant and exciting lion dance welcomes in the Year of the Snake at the reception organised by HKETO, London.



Toasting the Year of the Snake. From left, Dawn Page, Director UK and Northern Europe, Hong Kong Tourism Board; Linda Lai, Special Representative for Hong Kong Economic and Trade Affairs to the European Union; Erica Ng; Lore Buscher, Outgoing Regional Director

Europe, Hong Kong Trade Development Council; and Stephen Wong, Regional Director Europe, Hong Kong Trade Development Council.

HELSINKI, FINLAND



Dancers celebrate the Year of the Snake at a reception in **Helsinki** to highlight trade and investment links between Finland and Hong Kong.

ST PETERSBURG, RUSSIA



Stephen Wong, Regional Director Europe, Hong Kong Trade Development Council, delivers a speech at the Chinese New Year reception in **St Petersburg**, Russia.

OSLO, NORWAY



Dr Derek Anthony (right), Chairman of the Norwegian Chamber of Commerce in Hong Kong, takes to the stage to sing at a reception in **Oslo**, Norway, to mark the Chinese New Year.

STOCKHOLM, SWEDEN



Dawn Page (right), Director UK and Northern Europe, Hong Kong Tourism Board, delivers a speech at the Chinese New Year reception in **Stockholm**, Sweden. Also pictured: Chairman of the Royal Sweden Hong Kong Business Council, Björn Segerblom (left) and Erica Ng (centre).

BERGEN, NORWAY



Erica Ng delivering her speech at the first-ever Chinese New Year reception in **Bergen**, Norway, organised by the HKETO, London.

COPENHAGEN, DENMARK



Speakers at the Chinese New Year reception in **Copenhagen**, Denmark. From left to right: Erica Ng; Founding Partner and Creative Director, Architect of Schmidt Hammer Lassen Architects, Bjarne Hammer; Ambassador of the People's Republic of China to Denmark, Li Ruiyu; President of the Denmark – Hong Kong Trade Association, Claus Hemmingsen; and Stephen Wong.

LUND, SWEDEN



Erica Ng delivering her speech at the Chinese New Year reception in **Lund**, Sweden.

MOSCOW, RUSSIA



Guests raise a toast to the Chinese New Year at a reception in **Moscow**, Russia. From left: Erica Ng; Ivan Polyakov, Chairman of the Russia – Hong Kong Business Association; Linda Lai and Stephen Wong.

Are you a snake?

According to the Chinese zodiac, people born in the Year of the Snake are rarely rattled, calm under pressure and prized for their ability to do business without blinking.

“In Chinese mythology, people born in the Year of the Snake are said to be very intuitive, wise and hard-working,” said Erica Ng, the new Director-General of the HKETO, London. “We will work hard and work smart – like a snake – to build on our achievements over the past year.”

●●● Finance

Budget for Hong Kong's future development

Continued from page 1

The Hong Kong Government would promote the "holistic development of our society and create more business and job opportunities", said Financial Secretary, John Tsang, noting that social welfare, education and medical services continued to account for 60% of government spending.

Specific measures outlined in the Budget included:

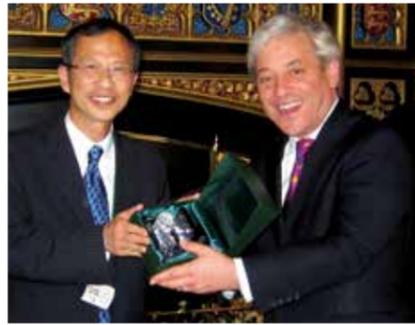
- Making amendments to the tax and regulatory system to attract more overseas hedge funds and captive insurance companies to Hong Kong
- Waiving business registration fees for one year to assist entrepreneurs
- A 75% reduction in salaries tax for 2012-13 subject to a ceiling of HK\$ 10,000, benefitting 1.53 million taxpayers
- HK\$ 480 million to enable outstanding Hong Kong students to study at overseas universities
- To boost tourism by developing an all-weather Water World at Ocean Park
- 28 new sites to be added to the Land Sale Programme in 2013-14 to create room for major new residential developments, including business and commercial sites and one for hotels only

"The package of measures in this Budget will have a stimulus effect of 1.3 percentage points," he said, predicting Hong Kong's GDP would grow between 1.5% and 3.5% in 2013. Commenting on the Budget, Hong Kong Chief Executive, C Y Leung, said: "It is a forward-looking and responsible budget which lays a solid foundation for the sustained economic development of Hong Kong."

For more information, including the full budget speech, visit <http://www.budget.gov.hk/2013/eng/speech.html>

●●● Government

President of Legislative Council visits the UK



Above: The President of the Legislative Council, Jasper Tsang (left), presents a souvenir to the Speaker of the House of Commons, John Bercow.

The President of Hong Kong's Legislative Council, Jasper Tsang, visited the UK in June at the invitation of the Speaker of the House of Commons, John Bercow.

During his four-day visit, Mr Tsang exchanged views with Mr Bercow on recent parliamentary developments and observed the House of Commons in action – attending Prime Minister's Question Time and meetings of the Select Committee and Backbench Business Committee.

Mr Tsang also called on the Lord Speaker, Baroness D'Souza, and met with representatives of the Chinese community in England. In addition, he spoke at a luncheon hosted by the Hong Kong Association in London.

Democracy

While in London, Mr Tsang delivered speeches on Hong Kong's road to democracy and universal suffrage in Hong Kong at Chatham House and the London School of Economics and Political Science respectively.

Before leaving the UK, Mr Tsang paid a courtesy call on the Ambassador of the People's Republic of China to the UK, Liu Xiaoming, to exchange views on the latest development of Hong Kong and the relationship between China and the UK.

●●● Health

Health regulation under observation

Secretary for Food and Health of Hong Kong, Dr Ko Wing-man, used a two-day visit to the UK in May to discuss the regulation of health-care services in both the UK and Hong Kong.

Dr Ko met with the Chief Executive of the Professional Standards Authority for Health and Social Care, Harry Cayton, to discuss professional standards in health and social care.

He also met the Chairman of the Complementary and Natural Healthcare Council, John Lant, and the Chief Executive of the National Institute for Health and Clinical Excellence, Sir Andrew Dillon to exchange views on areas including regulation of complementary healthcare practitioners as well as development of clinical guidelines.

During his meeting with the Chief Executive of Care Quality Commission, Dr David Behan, Dr Ko exchanged views on ways to enhance the quality of private health-care services. Dr Ko met with Medical Director of the National Health Service (NHS) and Chairman of the NHS Review of the Regulation of Cosmetic Interventions Committee, Professor Sir Bruce Keogh, to discuss standards of cosmetic surgery and products. He also called on the UK Department of Health to discuss the regulatory challenges brought about by the advancement of medical technology.

Above: Dr Ko Wing-man (centre), Hong Kong Secretary for Food and Health, pictured with John Lant (second right), Chairman of the Complementary and Natural Healthcare Council in the UK. Also pictured: Hazel Russo (first left), Communications Manager at the Council; Dr Constance Chan (second left), Hong Kong's Director of Health; and Chris Sun (first right), Head of the Healthcare Planning and Development Office of the Hong Kong Food and Health Bureau.

●●● Law and order

Fighting transnational crime

Hong Kong will work closely with the UK Government to crack down on transnational organised crime, said Hong Kong Secretary for Security, Lai Tung-kiok, during a recent visit to London.

Speaking at a luncheon hosted by the Hong Kong Association, Mr Lai said that Hong Kong will continue playing a key role in "contributing to global security and crime prevention through our international connections and collaboration, including with the UK Government."

While in London, Mr Lai called on the Minister of State at the Foreign and Commonwealth Office, Hugo Swire, to brief him on the latest law and order situation in Hong Kong – one of the world's safest cities.

Crack down

At meetings with the Chair of the UK Serious Organised Crime Agency, Sir Ian Andrews, and Assistant Commissioner at the Metropolitan Police, Mark Rowley, Mr Lai spoke about how Hong Kong police had been working closely with their counterparts around the world to crack down on transnational organised crime.

He also met with the Vice-President of the Association of Chief Police Officers, Chief Constable Phil Gormley, to discuss how Hong Kong and the UK might work even more closely to fight transnational crime.

Mr Lai also called on senior officials at the Home Office and met with the Chinese Community in the UK to update them on the latest developments in Hong Kong.



Above: Hong Kong Secretary for Security, Lai Tung-kiok (right), meets UK Minister of State at the Foreign and Commonwealth Office, Hugo Swire.

●●● International

Opportunities for Lithuania and Sweden



Left: Marcus Täck, Director of Real Estate and Office Solutions of Schneider Electric, shared the experience of doing business in Hong Kong at the green-tech seminar in Stockholm.

Members of the Lithuanian business community and Swedish green-tech sector were encouraged to leverage on the abundant opportunities in Hong Kong and make use of Hong Kong as a gateway to enter China and Asia during seminars held in May 2013 in Vilnius and Stockholm respectively.

The seminar in Vilnius was organised by Enterprise Lithuania for Lithuanian small and medium enterprises, while the event in Stockholm formed part of a visit to Sweden by a delegation led by the Hong Kong Science and Technology Parks Corporation.

Speaking at the seminar in Vilnius, Erica Ng, Director-General of the HKETO, London, outlined Hong Kong's economic outlook and highlighted the advantages of reaching the Asian market via Hong Kong, given Hong Kong's strategic geographical location and advanced infrastructure development.

In May, Ms Ng also visited Estonia, Latvia and Russia, where she met with government ministries, business chambers, investment promotion agencies, financial institutions and start-up companies to discuss ways to strengthen bilateral ties between Hong Kong and the Baltic countries as well as Russia.

Seeking a massive bath?

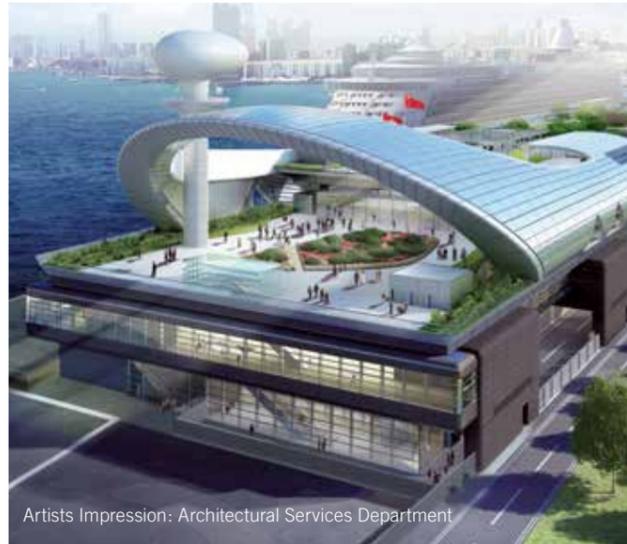


This huge, six-storey inflatable duck dwarfed the boats in Hong Kong's Victoria Harbour when it took to the water recently – the brainchild of a Dutch artist, Florentijn Hofman, who said the artwork celebrated joy, happiness and caring for each other.

●●● Tourism

New cruise terminal opens

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Artists Impression: Architectural Services Department

Unrivalled access

The new Kai Tak Cruise Terminal (see front cover) complements Hong Kong's existing Ocean Terminal in Tsim Sha Tsui and its completion will greatly enhance the berthing capacity for cruise ships in Hong Kong.

Designed to be used all year round, the Kai Tak Cruise Terminal building also provides flexibility for conversion of the waiting halls for other uses during the non-peak season, such as for exhibitions and meetings.

Infrastructure projects

The Kai Tak Cruise Terminal is just one of several large infrastructure projects in Hong Kong. Other notable projects include: The West Kowloon Cultural District, a brand-new art and cultural hub with 17 new facilities on a 40-hectare prime waterfront site; the high-speed railway connecting Hong Kong with Mainland China; and the Hong Kong-Zhuhai-Macao Bridge. In each of the next few years, the Hong Kong Government will be spending over HK\$ 70 billion on capital works. The new cruise terminal project alone costs HK\$ 8.2 billion.

●●● Finance

British Virgin Islands, Russia's Vnesheconombank open Hong Kong offices

The British Virgin Islands (BVI) is to open an office in Hong Kong to promote its financial services and tourism opportunities to markets in the Asia Pacific region.

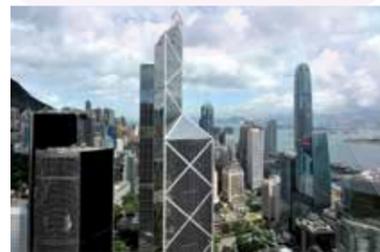
The office will strengthen BVI's diplomatic representation in the Asia Pacific Region, as well as promoting tourism to BVI and new international investment opportunities.

"We have long viewed the establishment of a Far East BVI Representative Office as a major component of the strategy to expand and deepen the commercial footprint of the Territory's financial services sector in this important market," said Dr the Honourable D. Orlando Smith, OBE, Premier of the Virgin Islands.

Also, the Russian State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" set up a subsidiary in Hong Kong, VEB Asia Ltd, in April. VEB Asia will help to promote Russian industrial exports to East and South-East Asian markets and engage investors in funding large-scale projects in the Russian Federation.

●●● Finance

World's third most important financial centre



Hong Kong remains the world's third most important financial centre, according to the latest Global Financial Centres Index.

Published every six months since 2007, the index measures the competitiveness of the world's 75 leading financial centres. Hong Kong comes behind only London and New York.

"Here in the Asian time zone, Hong Kong provides a vital link in today's round-the-clock and round-the-world financial trading cycle," said C Y Leung, Hong Kong's Chief Executive.

Hong Kong is also rated as the world's freest economy according to the 2013 Index of Economic Freedom.

Global investment success

Foreign companies invest more money directly into Hong Kong than any other place in the world except the US and Mainland China, according to a United Nations report published in June.

The World Investment Report, published by the United Nations Conference on Trade and Development, covers 2012 and ranks Hong Kong third in the world for foreign direct investment (FDI).

Simon Galpin, Director-General of Investment Promotion, InvestHK, said: "Against the backdrop of a global decline in FDI, Hong Kong remains a significant conduit for both inbound and outbound investment." FDI flows into Hong Kong in 2012 exceeded US\$ 75 billion.

●●● Business

New framework for business

All companies operating in Hong Kong will be governed by a modernised legal framework from 2014.

A new Companies Ordinance, due to come into force in the first quarter of 2014, will lay down the rules for corporate governance and regulation for all companies operating in Hong Kong. It aims to further strengthen Hong Kong's status as a major international commercial and financial centre.

To pave the way for the introduction of the ordinance, a new batch of subsidiary legislation was passed in May, including new regulations prescribing arrangements for accessing records kept by companies.

●●● Education

UK students win places at Hong Kong summer schools

Five secondary school students from the UK won the chance to study at a Hong Kong university this summer, thanks to a competition organised by the Hong Kong Economic and Trade Office (HKETO), London.

The "Hong Kong: A Dream Destination for University Study" competition asked students from across the UK to describe why they think Hong Kong would be a great place to study. Entries included essays, websites, blog entries and YouTube videos, and were judged on their content, creativity and presentation.

Explore and experience

The five winning students will be sponsored to study a summer course at a Hong Kong university, to experience a taste of the city's world-class university life, as well as Hong Kong's unique lifestyle and culture.

Speaking at a sending-off party for the winning students in June, Erica Ng, Director-General, HKETO, London, said Hong Kong had expanded and improved its education system over the past several decades.

"In the latest ranking of an international report, three of Hong Kong's universities have made it to the top 50 universities in the world," she said, encouraging the winners to take full advantage of their chance to experience life in Hong Kong.



Above: Competition winners with the judges. Front row (from left to right): Karen Luard, Chairman of the Hong Kong Society; Anna Giddins; Erica Ng, Director-General of the HKETO, London; Elysia Warner; Anjum Jahan. Back row (from left to right): Angus Barclay, General Manager Europe of Cathay Pacific Airways; Max Aitchison; Martin Davidson, Chief Executive of the British Council; and Kieran Smith.

The competition was sponsored by Cathay Pacific Airways and supported by the British Council and four key Hong Kong universities: The University of Hong Kong; City University of Hong Kong; The Hong Kong University of Science and Technology; and The Chinese University of Hong Kong. You can see all the winning entries at www.hketolondon.gov.hk/student_competition



●●● Culture

Art Basel Hong Kong debut a success

Over 60,000 art lovers from around the world flocked to Art Basel's inaugural show in Hong Kong in May, following its acquisition of a 60% share of Asia's largest arts exhibition, Art HK in 2011.

Art Basel Hong Kong boasted the strongest ever collection of high-quality works from the East and the West including 3,000 artworks, displayed by 245 galleries from around the world. The debut show was a huge success, featuring major works by renowned overseas artists.

Gregory So, Secretary for Commerce and Economic Development of Hong Kong, said the exhibition placed Hong Kong "firmly on the international arts map."

Formed in 1970, Art Basel stages the world's leading modern and contemporary art shows in Basel, Miami Beach and now Hong Kong.

●●● Culture

West Kowloon Cultural District – latest update

The Chief Secretary for Administration of Hong Kong and Chairman of the Board of the West Kowloon Cultural District Authority (WKCDA), Carrie Lam, recently announced the winning design of the M+ design competition.

Architects Herzog & de Meuron + TFP Farrells have been chosen to design the M+ museum for visual culture, a key element of the West Kowloon Cultural District. Teams from the two practices will work with the WKCDA over the next four years to deliver a world-class facility to house Hong Kong's museum for 20th and 21st century visual culture, scheduled for completion in 2017.



Above: Mrs Lam (third left) unveils the model of the winning design.

●●● Culture

Hong Kong film premieres

Hong Kong's film industry was showcased in London at the annual Terracotta Far East Film Festival in June.

The thriller, *Cold War*, directed by Sunny Luk and Longman Leung, received its UK premiere, after scooping nine awards at the 32nd Hong Kong Film Awards earlier this year, including Best Film, Best Director, Best Actor and Best Screenplay.

Speaking at the opening screening, Erica Ng (above), Director-General of the HKETO, London, called *Cold War* a "vivid and successful representation of Hong Kong's talent, creativity and unique fusion of Eastern and Western cultures."

Acting icons

The Hong Kong Focus at this year's festival was sponsored by HKETO, London, and also saw the premieres of *Drug War* by Johnnie To, *The Bullet Vanishes* by Lo Chi-leung, and *Love Me Not* by Gillette Leung. The festival also paid tribute to Hong Kong acting icons Leslie Cheung and Anita Mui, with special screenings of their films.



●●● Culture

Dragon Boat Festival thrills 10,000

Over 10,000 people enjoyed the 2013 London Hong Kong Dragon Boat Festival on 30 June.

Teams competed in thrilling dragon boat races at the London Regatta Centre, with traditional dancing and martial art demonstrations to keep the crowds entertained throughout the day. The event also included the first East West Music Festival, featuring local and UK pop music acts, plus a food festival where people could enjoy tasty food from all over Asia.

Right:
The HKETO team at the London Hong Kong Dragon Boat Festival.



The annual London Hong Kong Dragon Boat Festival was sponsored by the Hong Kong Economic and Trade Office (HKETO), London, and organised by the London Chinatown Lions Club, with the support of the London Chinatown Chinese Association and the Hong Kong Executives Club. For the first time the HKETO had its own team taking part in the races.

"The festival has become one of London's greatest parties," said Erica Ng, Director-General of the HKETO, London. "We have taken an ancient Chinese tradition and transformed it into a modern sport and international party. Dragon boat racing is a perfect showcase for Hong Kong's vibrant culture."

FORTHCOMING EVENTS

Wednesday, 31 July 2013
Hong Kong Children's Choir's Concert in London

October 2013
Hong Kong Chinese Orchestra's performances in Russia
Hong Kong exhibition in Moscow
Hong Kong film festival in Moscow

Saturday, 9 November 2013
Hong Kong's entry in Lord Mayor's Show

●●● Culture

Hong Kong art "keenly sought after"



Some of finest art ever produced by Hong Kong artists was on show in the Hong Kong Pavilion at Masterpiece London 2013.

The Pavilion exhibited works by famous Hong Kong artists of the past hundred years, including Lui Shou-kwan, one of the founders of the New Ink Painting movement, and pioneering woman artist Fang Zhaoling. Other Hong Kong artists and designers represented included Lo Chi-wing and Man Fung-yi.

The Pavilion, which was organised by Fine Art Asia and supported by the HKETO, London, is a sign of Hong Kong's growing importance in the art world, said Erica Ng, Director-General, HKETO, London. "The works of the artists featured here are keenly sought after by collectors and art lovers around the world, and Hong Kong has become the world's third largest art market by auction sales behind only New York and London."

Masterpiece London is a major annual exhibition of fine art, antiques and design – bringing together curators, exhibitors and collectors from around the world.

Above: Erica Ng, Director-General of the HKETO, London, tours the exhibits on the Hong Kong Pavilion at Masterpiece London 2013 with Pavilion co-organisers Calvin Hui (left) and Andy Hei (right) of Fine Art Asia.



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