

# Belgium Hong Kong Society Newsletter #3

**Celebrating our 25<sup>th</sup> Anniversary in 2011**



## 25<sup>th</sup> Anniversary Gala Dinner

Egmont Palace, Bruxelles

To celebrate the 25<sup>th</sup> anniversary of the Belgium Hong Kong Society, a Gala Dinner at the Egmont Palace was organised jointly with the Hong Kong Economic and Trade Office, Brussels.

Mr Donald Tsang, Chief Executive of the Hong Kong Special Administrative Region, and Mr Didier Reynders, Vice-Prime Minister and Minister of Finance of Belgium were the Guests of Honour.

Mr Tsang updated the audience on the recent economic and financial developments in Hong Kong, highlighting the new and current business opportunities available in Hong Kong for Belgian companies, measures in boosting Hong Kong's role as China's Global Financial centre and the fast growing Renminbi (RMB) business.

The dinner was attended by around 180 guests, including senior officials from European institutions and Belgian government, Ambassadors based in Brussels, Belgian business leaders and BHKs members.

A Hong Kong student, Miss Fiona Foo, who graduated from the Hong Kong Academy of Performing Arts and was studying in the Lemmensinstituut in Leuven, Belgium, staged a Marimba performance. The performance showcased Hong Kong's cultural talents and was well-received by the audience.

## From Strength to Strength



## Hong Kong's Core Values

*The ultimate goal of social development is to give people a better life. This is also my political vision. All government efforts should be geared towards the continuous improvement of people's livelihood.*

"Our forbears from diverse origins

came to this tiny island simply to

earn a living and build their

homes.

They worked hard through the

years and, without realising it,

created a unique city with its

own character.

We cherish freedom, respect the

rule of law, and treasure equality,

justice, integrity, pluralism and

inclusiveness."

**Donald Tsang**

**Chief Executive**

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## Hong Kong Key Facts and Figures

Unemployment rate:  
3.3% (August-Oct 2011)

GDP growth:  
4.3% (Q3, 2011)

GDP forecast for 2011:  
5%

Inflation:  
6.3% (Q, 2011)

## Asian Financial Forum 16-17 January, 2012

Some 2,000 business and government leaders from around the world are expected to take part in the fifth Asian Financial Forum (AFF).

Under the theme, "Asia: Driving Sustainable Growth", AFF 2012 will discuss growth opportunities and challenges in the Asia-Pacific region, and the Chinese mainland in particular. The main programme will address such topical issues as global investment prospects, China opportunities, Japan's reconstruction and green growth initiatives.

The fourth AFF, in January 2011, attracted close to 1,800 participants and 461 journalists from 32 countries and regions – a new record. They came to hear the latest opportunities and challenges in Asia from more than 70 internationally respected leaders in government, financial and business sectors.

[http://www.asianfinancialforum.com/en/media\\_press.htm](http://www.asianfinancialforum.com/en/media_press.htm)

## Key Policy Address 2011/12

Hong Kong's Chief Executive, Donald Tsang set out his key policies in his annual Policy Address on October 12. The measures include providing affordable housing, helping the elderly, enhancing Hong Kong's competitiveness and improving living standards.

### Providing affordable housing

A new Home Ownership Scheme will be launched in response to aspirations of low and middle-income families to buy their own homes. It will target families with a monthly income no higher than HK\$30,000 (EUR 2,800), mainly first-time home buyers. Flats with a saleable floor area of 400-500 square feet will be sold at affordable prices, initially estimated at HK\$1.5 to 2 million (EUR 140,300 to EUR 187,000). Under the scheme, 17 000 flats would be provided over four years from 2016-17 onwards, with a production rate of between 2 500 to 6 500 flats a year. The first batch is expected to be ready for pre-sale in 2014 or 2015. To increase land supply, the Government would **ensure sufficient land supply** to support on average 20 000 private residential flats, 15 000 public rental flats and 5 000 new Home Ownership Scheme flats p/a

### Strengthening the Economy

In the National 12th Five-Year Plan, Mainland China has expressed its support for Hong Kong to reinforce and enhance its status as an **international centre for financial services**, trade and shipping, and to develop the **six industries** where it enjoys competitive advantages, namely, medical services, environmental industries, testing and certification, education services, innovation and technology, and cultural and creative industries.

The Government will continue to promote the use and circulation of **Renminbi (RMB)** funds and establish strong and extensive links with the Mainland's onshore RMB market by three "bridges", namely trade, direct investment and equity investment.

Hong Kong will strengthen investment co-operation with emerging markets overseas and boost co-operation with Guangdong, to enhance academic and research development.

The investment income of the remaining HK\$2 billion (EUR 187 million) will provide stable research funding for University Grants Committee-funded institutions.

The Government will designate 2012 as "**Hong Kong Design Year**" encompassing a number of mega events on design to consolidate our position as Asia's creative hub.

Another initiative in the Policy Address is to establish an International Cuisine College under the Vocational Training Council. The college will provide training facilities and progression pathways for people aspiring to become professional chefs proficient in international cuisines. It will also help promote the development of related sectors, such as tourism, catering, retail and wine trading.

### Environment

To improve air quality, the Government would introduce additional requirements and incentives for bus companies to switch to zero emission buses or the most environment-friendly buses when replacing old diesel vehicles. HK\$180 million (EUR 16.83 million) would be earmarked for franchised bus companies to purchase 36 electric buses for trial runs on a number of routes to assess their performance in different conditions.

### Helping the elderly and families

On Hong Kong's ageing population, Mr Tsang said the Government would continue to promote ageing at home, while ensuring adequate elderly care facilities and services. The Government is also investigating ways to help elderly HK residents who choose to settle in Mainland China. This includes a proposed new "**Guangdong Scheme**" which will allow residents living in Guangdong (located in the Southern part of China) to receive the Old Age Allowance without the need to return to Hong Kong.

The Government is exploring ways to promote family-friendly working practices by providing paid paternity leave for civil servants as a start. In conclusion, Mr Tsang urged Hong Kong people to believe in their own ability to take the city's economic and social development to the next level.

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## Chairman's Message

The visit of CE Donald Tsang to Brussels in September was a milestone in many respects. His presence at the gala celebration of the 25th anniversary made us all very proud and enhanced even further the reputation of the BHKS as a host of high level events among its members and Brussels stakeholders.

Although there is no decision regarding Donald Tsang's successor, it is clear that he will retire from the Hong Kong Government after 40 years of outstanding service to Hong Kong, Asia's world city. It was thus his last official visit to Brussels.

Having Donald Tsang and Didier Reynders, Vice Prime Minister as our guests of honour was a true testimony of appreciation at the highest political level of what the BHKS has been doing for the promotion of stronger bonds between Hong Kong and Belgium. Their presence was a salute to all friends of Hong Kong in Belgium.

I am very grateful to the Economic and Trade office of Hong Kong, especially to its Representative Mary Chow and her very able assistant Joanne Chu for organizing this milestone event so well and for their continuous support to the BHKS. Hong Kong continues to attract a lot of attention from Belgians.

The thriving Belgian community in Hong Kong has a positive, contagious effect on Belgians using Hong Kong as a safe haven for doing business in Asia, whether in China or Vietnam or other countries in the region. Hong Kong has a strong brand name for providing a very efficient and corrupt free business environment based on the rule of law. Doing business in Asia through Hong Kong means not only tax advantages but gives you also the protection of the law

which is a scarce commodity in most part of Asia. Hong Kong is more than business and finance. It is one of the world's most exciting shopping places and the ultimate food and wine city.

And for those who think Hong Kong is only a collection of concrete and glass plated building, I invite them to discover Hong Kong's natural beauty, not only in the New Territories – I still can remember the 1 000 steps of Needle Hill or the monkeys in the forest of Lion's Rock – but also on Hong Kong Island.

If you are looking for an exhilarating holiday destination for New Year, why not Hong Kong? You will not regret. But be quick with your reservation, you won't be alone!!!

**Piet Steel**  
Chairman, BHKS



## Annual Dinner 2012

It is time to catch up with fellow BHKS members in a relaxed and casual setting at our annual Belgium Hong Kong Society Dinner in Brussels.

The Dinner will be held on Tuesday, January 24<sup>th</sup> at 19:00. For more information and how to register, see our website: <http://www.bhks.be>

## Hong Kong as China's Global Financial Centre

During his visit to Hong Kong 17 August, the Vice-Premier of the State Council, Mr Li Keqiang, announced a series of measures to support the further development of Hong Kong as the offshore RMB business centre. Key measures include-

Extending the Pilot Scheme for Cross-border Trade Settlement in RMB to cover the whole country; Launching the pilot scheme for foreign-funded banks to replenish capital with RMB; Encouraging the use of RMB by Hong Kong enterprises in making direct investment on the Mainland by the gradual launching of a pilot scheme of RMB settlement for foreign direct investment; Allowing investment in the Mainland equity market by means of

the RMB Qualified Foreign Institutional Investor (RQFII) scheme with an initial size of RMB20 billion; Expanding the issuance of RMB bonds in Hong Kong by Mainland entities (including financial institutions and corporates); Making the issuance of RMB sovereign bonds in Hong Kong a long-term and institutional arrangement and gradually expanding the scale of issuance;

Carrying on the Pilot Scheme for Eligible Institutions (including non-Mainland central banks, RMB clearing banks in Hong Kong and Macau, and non-Mainland participating banks) to invest in Mainland's interbank bond market; and Promoting innovation in the diversification of offshore RMB financial products in Hong Kong.

As at end July 2011, RMB deposits amounted to around RMB 572 billion (EUR 65 billion). From January to July 2011, the total remittance for cross-border trade settlement amounted to RMB 953 billion (EUR 108 billion).

Hong Kong conducted 82% of Mainland's RMB trade settlement in Q2 2011 (73% in 2010).

As at end July 2011, there were a total of 180 banks participating in the RMB clearing platform in Hong Kong, of which 157 were branches and subsidiaries of foreign banks and overseas presence of banks in Mainland China



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## Hong Kong Film Panorama Brussels – Antwerp December 2011

A selection of recent Hong Kong films from the 2010 production was shown during the annual Hong Kong Film Panorama, this year in both Brussels and Antwerp. "Echoes of the Rainbow" was the opening film in Brussels and Antwerp.

The film was awarded the prestigious Crystal Bear at the Berlin Film Festival 2010.

We were honoured to be able to welcome the director, Alex Law and the producer, Mabel Cheung to the opening screenings who shared their experiences of the making of this beautiful family drama with the audience in attendance.



The film "Echoes of the Rainbow" offers a nostalgic look at Hong Kong in the late sixties



## Hong Kong WinterFest 2011 wishes you a Hong Kong Christmas!

Every winter, the Western tradition of Christmas and the Eastern love of festivals meet, mix and make merry in Asia's world city. From 25 November 2011 to 1 January 2012, the merriment will be here again with 2011 Hong Kong WinterFest.

Victoria Harbour will live up to its role as the throbbing heart of the city, with a glamorous [Tiffany & Co. Christmas tree](#) on one side, [Sino Group's ice-skating surface](#) on the other, carnivals and thousands of sparkling Christmas illuminations adorning both as Hong Kong indulges in a festive head-to-toe makeover.

The city's popular food districts will be serving up seasonal treats and all across town there'll be winter sales and then, to top off all the celebrations, the city's indulge in a giant dazzling party to welcome in 2012.

So, in keeping with Hong Kong Winterfest tradition, shop, eat, drink and have a very merry Christmas

<http://www.discoverhongkong.com/winterfest/eng/html/index.jsp>



## Chinese New Year – 2012 – Save The Date February 7

The Belgium Hong Kong Society and the Hong Kong Economic and Trade Office, Brussels will be celebrating the Chinese New Year – the Year of the Dragon – in style on February 7<sup>th</sup> at the Albert Hall. The event is always a highlight of the year for friends of Hong Kong, our biggest annual gathering.

The event is by invitation only, to members of the Belgium Hong Kong Society and friends of Hong Kong. We look forward to seeing all of you to celebrate the New Year so please 'save the date' in your diaries and watch out for further details on our website: <http://www.bhks.be>

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## The Hong Kong Connection

Alexander De Beir – Board Member

The Hong Kong connection dates back from 1996-1997 when Alexander De Beir did a Masters of Law at the University of Hong Kong. Alexander says of this period "it was a very exciting time. The master class was merely 50 people of which 10 were from overseas and 40 from Hong Kong. Some great friendships were formed during those days. Friendships which have lasted until today."

It was the same period in which Piet Steel was in Hong Kong as the Consul-General of Belgium. Consul-General Steel was enthusiastic about having a Belgian Student in Hong Kong and still today keeps on promoting this type of exchange in his current role of Chairman of the Belgium-Hong Kong Society.

Alexander comments : " it was Piet who motivated me to become member of the Belgium-Hong Kong society in Brussels when I started my business in 2006."

The contact with former classmates was kept through the years. Both through personal travelling to Hong Kong but also through the Hong Kong Trade Development Council and the annual Hong Kong Forum.

In fact the Hong Kong Forum of December 2006 was the occasion to meet up again with Alexander's former classmate and future partner. It was agreed that ADM would refer clients to Hong Kong and vice versa. A verbal, trust-based agreement was set up and by the end of the month of December a first Belgian customer was sent to the Hong Kong partner for help and advice in Hong Kong and Singapore.

Alexander recalls : " this was a case of one of our Belgian clients who needed a financial professional in Hong Kong in order to write a business plan, negotiate with banks, set up a company and accounting system and had to get in touch with Hong Kong and Mainland based suppliers."

As the suppliers had started to deliver on the orders made by the Belgian client and the volumes were growing consistently the Belgian Client needed a quick solution which was provided by ADM and its Hong Kong partner.

More clients and projects followed and today ADM still has projects running throughout the region. The latest being a Chinese financial analyst who is being seconded for a 6 months term to a production plant of a Belgian client in the area of Tsingdao.

After the first attendance at the Hong Kong Forum of 2006 Alexander continued his visits to Hong Kong in combination with the Hong Kong Forum and the Asian Financial Forum. "Both forums are a great place to learn new insights, to exchange views and experiences and to network.

It is thanks to the Belgium-Hong Kong Society that I got to know about these annual events."

And while projects for Belgian companies in Hong Kong and China have been its business in the past 5 years, ADM is now looking at also doing projects for Chinese or Hong Kong companies in Belgium." We have the people and the skills and have both Cantonese and Mandarin speaking financial professionals in our portfolio who can assist these companies with their investments and with running their financial departments here in Belgium."

The Belgium-Hong Kong Society again is a great place to meet these potential clients and discuss about future collaborations in Belgium and Asia.

To find out more, Contact Alexander on [adebeir@financialcasting.com](mailto:adebeir@financialcasting.com)

For more information on Federation of Hong Kong Business Associations Worldwide, visit their website: <http://hkfederation.org.hk/>

Here you will find a full account of the 2011 Hong Kong Forum, hear up-to-date news on Hong Kong, read about business opportunities and much more.

See also the Membership benefits section – for members of the Association, which includes all paid-up members of the Belgium Hong Kong Society.

And for free advice to foreign companies, visit <http://www.investhk.gov.hk>.

## #1 Location for Regional Operations in Asia



With 1,286 Regional Headquarters and 2,363 Regional offices, Hong Kong's enduring advantages have positioned Hong Kong as the regional business hub of Asia. The top 3 reasons why leading international businesses have chosen to set up their regional operations in Hong Kong are: **Best location and transport links across Asia Pacific and internationally.** Strategically located at the centre of Asia, all of the region's key markets are within 4 hours flight and half the world's population is within 5 hours flight time. Hong Kong International Airport (Skytrax 5 Star) is the busiest in Asia Pacific with direct flights to about 160 international destinations. The journey time between city centre and airport takes 23 minutes on the Airport Express. **Gateway to China.** Hong Kong has been the business gateway to Mainland China for more than 150 years. Hong Kong's renowned free economy and international business environment continues to provide a safe, familiar and smarter route into Mainland China for overseas businesses. English is the language of business and over 3,000 internationally minded Mainland Chinese enterprises are based in Hong Kong. **3rd lowest tax in the world** Hong Kong operates a low and simple tax system. Corporate tax is a maximum 16.5% Income tax is a maximum 15%. No tax on Sales, Capital Gains or Dividends