

# FS assures Canadian political and business community on Hong Kong's edge and competitiveness as international financial centre (with photo)

The Financial Secretary, Mr Paul Chan, attended a webinar today (May 12) to update the Canadian political and business community on Hong Kong's edge and competitiveness as an international financial centre, its active role in national development and the ample opportunities for Canadian businesses.

In his opening remarks, Mr Chan highlighted that, despite the pandemic's economic fallout and the social unrest that preceded it, Hong Kong's financial market has functioned well with its unique advantages under the "one country, two systems" principle, the rule of law and other institutional strengths including an independent judiciary and the free flow of information, people and capital. "There have been rumours of fund outflows in the past two years, but the reality is we have not seen any significant fund outflow from Hong Kong's banking system. On the contrary, a total inflow of US\$50 billion into the Hong Kong dollar system had been recorded as at the end of last year. Hong Kong's status as an international financial centre remains solid and its competitiveness remains strong," he said.

Mr Chan added that the upbeat prospects for Hong Kong's future are affirmed by the National 14th Five-Year Plan, which continues the Central Government's support for and promotion of Hong Kong's status as an international financial, transportation and trading centre, a global offshore Renminbi business hub and an international asset and risk management centre, and supports the city's development as an international hub for both aviation and innovation and technology. Hong Kong's integration into national development not only contributes to the development of the country, but also creates new impetus for the city's economic growth, which enables improvements in the economy and people's livelihood.

The 14th Five-Year Plan also outlines high-quality development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), which supports the expansion of mutual access between the financial markets of Hong Kong and the Mainland. The cross-boundary Wealth Management Connect scheme, under which residents in Hong Kong, Macao and nine cities in the GBA will be able to invest in wealth-management products distributed by banks in the region, will be rolled out soon.

Addressing concerns about the stability of Hong Kong's society, Mr Chan emphasised the restoration of social and political stability through the enactment of the national security law and the impending improvements to the electoral system of Hong Kong, which has created a safe and secure environment conducive to business and investment for the people of Hong Kong,

for Canadian business and investment and for companies from all over the world. "In 2020, there were over 9 000 overseas and Mainland companies operating in Hong Kong, of which 1 500 had their regional headquarters in the city, reflecting the companies' confidence in Hong Kong," he said.

The webinar was organised by the Asia Pacific Foundation of Canada. More than 100 participants joined the webinar. The question-and-answer session of the webinar provided an effective platform for Mr Chan to discuss with participants topics including the Hong Kong Special Administrative Region Government's policies and support for promoting green and sustainable finance and innovation and technology, as well as the city's anti-epidemic measures and core competitiveness in professional services.



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## [LCQ6: Free cross-boundary broadcast of Mainland and Hong Kong television programmes](#)

Following is a question by the Hon Lau Kwok-fun and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (May 12):

Question:

Quite a number of members of the public have relayed that as Mainland television (TV) programmes are rich and diversified in content, opening up more local spectrums for free broadcast of more programmes of Mainland TV channels can provide members of the public with more choices of programmes, and is also conducive to their understanding of the Mainland's latest development and culture, their grasp of the national developments, and strengthening their sense of national identity. Regarding free cross-boundary broadcast of Mainland and Hong Kong TV programmes, will the Government inform this Council:

(1) whether it has plans at present to open up more local spectrums for free

broadcast of more programmes of Mainland TV channels; if so, of the details; if not, the reasons for that;

(2) whether it knows if the programmes of the Comprehensive Channel of the China Central Television currently broadcast in Hong Kong and on the Mainland are of the same version; if they are not, of the reasons for that, and whether it has assessed if such an arrangement will reduce the benefit of programme broadcasting; if it has assessed and the outcome is in the affirmative, whether it will discuss with the Mainland authorities the improvement measures; and

(3) whether it has plans to assist the operators of Hong Kong TV stations in developing the markets in the Guangdong-Hong Kong-Macao Greater Bay Area and other Mainland cities, so as to broadcast more Hong Kong TV programmes on Mainland TV channels?

Reply:

President,

Hong Kong has a vibrant broadcasting sector despite keen competition. Members of the public have access to 12 free television (TV) channels and over 800 satellite and pay TV channels for watching various TV programmes. They may also watch TV programmes from around the world through different platforms, including the Internet.

Hong Kong's broadcasting policy objectives are to promote competition, encourage the broadcasting sector to widen programme choice and diversity, facilitate the sector to introduce innovative broadcasting services and encourage investment in infrastructure and enrichments in content.

Our reply to the various parts of the question raised by the Member is as follows:

(1) At present, Hong Kong viewers can watch various TV channels and programmes of China Central Television (CCTV) and other Mainland TV stations through different means. On free TV services, Radio Television Hong Kong (RTHK) provides 24-hour relay of China Central Television Channel 1 (CCTV-1) to Hong Kong through RTHK TV 33. Three commercial domestic free TV broadcasters; namely Fantastic Television Limited, HK Television Entertainment Company Limited and Television Broadcasts Limited; have been providing Mainland-produced TV programmes in different time slots every week according to market needs. In addition, two domestic pay TV broadcasters, namely Hong Kong Cable Television Limited and PCCW Media Limited, also relay 15 channels (Note) from CCTV and other Mainland TV channels.

In addition to those mentioned above, the public may receive over 80 Mainland TV channels free of charge through the satellite TV systems, and watch Mainland TV channels and programmes through other over-the-top TV or Internet platforms. For example, the official website of CCTV also provides real-time live streaming and programme re-runs of multiple channels.

As regards spectrum, the 500 MHz band is used for the provision of local digital TV broadcasting services in Hong Kong. The existing plan provides sufficient spectrum to support local digital TV services and development needs.

(2) Since May 2017, RTHK has relayed CCTV-1 on the digital channel RTHK TV 33 on a 24-hour basis. The contents relayed on this channel are different from the Mainland version as CCTV has arranged for a version suitable for broadcast in Hong Kong having regard to local regulation of TV programmes, such as removing commercial advertisements and contents involving commercial sponsorships.

(3) The Government has been striving to develop the Mainland market, particularly that of the Guangdong Province, for the broadcasting sector. At present, a Hong Kong free TV broadcaster has obtained the landing right in the Guangdong Province to broadcast relevant channels through cable TV networks on the Mainland. Under the Agreement on Trade in Services of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), various liberalisation measures are available to facilitate the Hong Kong broadcasting sector in gaining access to the Mainland market. For example, the Mainland has since June 2020 further relaxed the restrictions on TV programmes jointly produced by Hong Kong and the Mainland, with a view to promoting the exchanges and development in cultural industries of both places. The HKSAR Government will continue its efforts to enable the Hong Kong broadcasting sector to gain access to the Mainland market under more favourable conditions through CEPA.

Note: The 15 Mainland TV channels are CCTV-News, CCTV-4, CCTV-1, CCTV-11-Opera, CGTN, Pearl River Channel, Dragon TV, Hunan TV International, Hubei TV, CGTN-Documentary, Yicai TV, Shenzhen TV, Southern Television, Sansha TV, and Zhejiang Satellite TV.

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## **SCED speaks on AmCham survey and RTHK**

Following is the transcript of remarks by the Secretary for Commerce and Economic Development, Mr Edward Yau, on issues relating to a survey by the American Chamber of Commerce in Hong Kong (AmCham) and Radio Television Hong Kong (RTHK) at a media session after attending the Legislative Council meeting today (May 12):

Reporter: Secretary, according to an AmCham survey, more than 40 per cent of the AmCham members said that they want or are planning to leave Hong Kong, citing the discomfort with the national security law (NSL). What is the Government's response to that fear and concern over the NSL? The second question is regarding RTHK. The inability of RTHK to broadcast the Olympic

Games ... Why can't the Government just give the resources to RTHK, so that it can also broadcast the Games?

Secretary for Commerce and Economic Development: On the first question, from time to time, we have seen different chambers issuing different surveys. We are grateful for the chambers to feel the pulse of the international business community in Hong Kong. In the last two years, I was the receiving end of many international business communities, (who had been) giving me direct views and responses to the situation of Hong Kong. We had been on quite a rough ride back in 2019, and most chambers came to me to ask a question: When could the riots and instability in Hong Kong end? That was the concern. After the NSL was introduced, we have seen stability being brought back. They are grateful. At the time when the national security law was introduced, we have taken the steps to give full and thorough explanation to the foreign community in Hong Kong, letting them better understand the need and the content of the law.

Different business entities would have different reasons to stay or otherwise, but figures speak for themselves. Every year, we conduct an actual survey on the number of overseas firms using Hong Kong as regional headquarters or regional offices. That number has been maintaining on quite a steady level. Last year, there were over 9,000 companies remaining in Hong Kong, which is basically more or less the same as the year before. Of course, there is no ground for complacency. We believe that business decisions would best be made by people who are actually staying and operating here in Hong Kong. I also learn from similar surveys that the majority of foreign firms still believe that Hong Kong is the place for doing business, particularly with the opening up of opportunities from the GBA (the Guangdong-Hong Kong-Macao Greater Bay Area) development, the Belt and Road Initiative and also recently the national policy in designating Hong Kong as a very important partner as the Chinese enterprises going out. I think it is a two-way street. In the Hong Kong formula, foreign firms in Hong Kong is a very important component. We will continue to monitor the situation and provide the best help we can offer.

On your question on RTHK, the obtaining of broadcasting right for Tokyo Olympics is an important government decision. In the usual circumstances, this job is done by licensed TV stations because they are by and large commercial decisions to bid for the broadcasting right as they can, through presenting their services, earn advertising revenue.

There are exceptional circumstances like this one. There have been a lot of uncertainties to the extent that there are worries that there might not be a commercial entity in Hong Kong willing to bid for this broadcasting right. As a result, the government stepped in. Of course, the government's step in must be based on the public interest. The public interest, in this particular case, is the worry of no broadcasting directly, and it is also the common aspiration of the Hong Kong community to have live broadcast so as to be able to give their fullest support to our athletes attending the Olympics. For this reason, the Home Affairs Bureau has taken the lead to negotiate with Dentsu Inc to obtain the right.

Essentially, the live broadcast of the Olympics would still be very much done by the commercial operators and through which they can earn their revenue. There is no need for the RTHK, as a public broadcaster, to put duplicate resources into the production of such programmes.

We are not saying that RTHK is deprived of the right. As part of the deal, RTHK will be given footage by the commercial operators so that they can also produce programmes without committing additional resources. Also, given the very tight schedule and taking into policy consideration, I think it is the best deal also allowing commercial enterprises, in the long run, to continue to use their way to obtain broadcasting right for major events. At the same time, it can cater for the public's aspiration and demand. I think this is the essence of the whole policy.

(Please also refer to the Chinese portion of the transcript.)

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## **Proprietor fined for violation of safety legislation**

Sheung Moon Construction Limited was fined \$30,000 at Kwun Tong Magistrates' Courts today (May 12) for violation of the Factories and Industrial Undertakings Ordinance and the Factories and Industrial Undertakings (Safety Management) Regulation. The prosecutions were launched by the Labour Department.

The case involved a fatal accident that occurred on January 11, 2020, at a fill bank in Tseung Kwan O. While a worker was clearing rock pieces jammed at the conveyor belt of rock crushing plant in the fill bank, the conveyor belt suddenly restarted and trapped the worker's body at the in-running nip point of the conveyor belt and a rotating roller. He sustained severe injuries and passed away on the same day.

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## **Government launches iBond**

The Government announced today (May 12) the launch of a new batch of inflation-linked retail bond, or iBond, under the retail part of the Government Bond Programme for subscription by Hong Kong residents.

The target issuance size of the latest batch of the iBond is HK\$15

billion. The Government may increase the issuance size to a maximum of HK\$20 billion having regard to market condition. The bond will have a tenor of three years. Bond holders will be paid interest once every six months at a rate linked to inflation in Hong Kong, subject to a minimum rate of 2 per cent.

The subscription period of the iBond will start from 9am on June 1 and end at 2pm on June 11. Hong Kong residents may apply for the iBond through a placing bank, securities broker or the Hong Kong Securities Clearing Company Limited.

The iBond will be issued on June 23 and listed on the Stock Exchange of Hong Kong on the following business day (June 24). It can be traded in the secondary market afterwards.

"The iBond has been well received by citizens for providing a safe investment choice with a steady return. The increase in issuance size will allow more citizens to participate in bond issuances, thereby promoting the further development of the local retail bond market," the Financial Secretary, Mr Paul Chan, said.

Details of the offering terms and subscription arrangements of the iBond are available at the Government Bond Programme's website ([www.hkgb.gov.hk](http://www.hkgb.gov.hk)).