

## **Calendar of Events of Significance for the Hong Kong Economy in 2016**

- 8 Jan Three Outline Zoning Plans including Tung Chung Extension Area, Tung Chung Town Centre Area and Tung Chung Valley, which mainly incorporated land use proposals as recommended under the Tung Chung New Town Extension Study, were exhibited by the Town Planning Board for public inspection under section five of the Town Planning Ordinance. Upon completion of the extension plan, the Tung Chung New Town could accommodate a population of about 268 400.
- 13 Jan The Chief Executive (CE) presented 2016 Policy Address, which consisted of a broad range of initiatives to develop the economy, support innovation and technology, enhance education and improve health care. They included:
- (a) actively facilitating and participating in the National 13th Five-Year Plan and the Belt and Road Initiative to create new opportunities for Hong Kong;
  - (b) expanding the network of Mainland offices and setting up new Economic and Trade Offices in Indonesia and Korea;
  - (c) allocating \$200 million to support the professional services sector in launching publicity and arranging exchanges and co-operation with the Belt and Road countries and other regions outside Hong Kong;
  - (d) setting up Belt and Road Steering Committee and Office;
  - (e) setting up Hong Kong Maritime and Port Board (HKMPB) to promote manpower training, marketing and research to develop high value-added maritime services sector;
  - (f) developing Science Park and Industrial Estates near the Liantang/Heung Yuen Wai Boundary Control Point;
  - (g) setting aside \$2 billion to set up an Innovation and Technology Venture Fund to co-invest in local start-ups with private venture capital funds on a matching basis as well as setting aside \$500 million for Innovation and Technology Fund for Better Living to finance projects that apply innovation and technology to improve people's daily life;
  - (h) setting up Lantau Development Office to take forward Lantau development;
  - (i) conducting public engagement to facilitate building a consensus on retirement protection; and
  - (j) spending \$200 billion in next 10 years to provide some 5 000 public hospital beds and over 90 operating theatres, and strengthen ambulatory services.
- 14 Jan The Hong Kong Monetary Authority (HKMA) announced that the countercyclical capital buffer (CCyB) for Hong Kong would increase from 0.625% to 1.25% with effect from 1 January 2017. As part of the Basel III regulatory capital framework, the CCyB is designed by the Basel Committee to increase the resilience of the banking sector in periods of excess credit growth. The increase is consistent with the Basel III phase-in arrangements for the CCyB.
- 15 – 17 Jan The Financial Secretary (FS) attended the Opening Ceremony and the Inaugural Meeting of the Board of Governors of the Asian Infrastructure Investment Bank (AIIB) in Beijing, as a member of the delegation of China.

- 18 Jan The Hong Kong Special Administrative Region (HKSAR) Government and the Government of Russian Federation signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income. The agreement sets out clearly the allocation of taxing rights between the two jurisdictions and thus will help investors better assess their potential tax liabilities from cross-border economic activities.
- 18 – 19 Jan The Government and the Hong Kong Trade Development Council (HKTDC) co-organised the ninth Asian Financial Forum, with the theme “Asia: Shaping the New Paradigm for Growth”, providing a high-level platform for more than 2 800 members of the global financial community to tap the investment opportunities of the evolving Asian and global economies.
- 31 Jan The Development Bureau launched a three-month public engagement on the proposed development strategies of Lantau covering aspects of planning, conservation, economic and social development, recreation and tourism.
- 2 Feb The Heritage Foundation and the Wall Street Journal released the 2016 Index of Economic Freedom. Hong Kong was rated the freest economy in the world for the 22nd consecutive year.
- 2 – 4 Feb CE visited Mumbai and New Delhi, India to foster closer bilateral economic and trade relations.
- 5 Feb Six pieces of subsidiary legislation were gazetted to implement the second stage of the over-the-counter derivatives regulatory regime, including the introduction of mandatory clearing of dealer-to-dealer trades of certain interest rate swaps (commenced on 1 September 2016) and the expansion of mandatory reporting to cover all five main asset classes (to commence on 1 July 2017).
- 15 Feb Hong Kong International Airport (HKIA) was named “Airport of the Year” by Air Transport World.
- 24 Feb FS delivered the Budget for the financial year 2016-17 and announced a host of initiatives to consolidate Hong Kong’s strengths and seize development opportunities under the global “new economic order”, including:

On nurturing innovation, the Budget proposed allocating additional resources to promote research and development (R&D) and application of technology, in order to develop Hong Kong into a smart city, boost economic development and enhance the quality of life. The Government would also encourage financial institutions and professionals from around the world to drive the development and application of Fintech in Hong Kong; improve the ecosystem for start-ups; and support the growth of creative industries.

To seize the opportunities brought by the Proposal on Formulating the National 13th Five-Year Plan as well as the Belt and Road Initiative, the Government is committed to developing more markets for Hong Kong enterprises, and pursuing trade and investment agreements to create more favourable conditions for the business community. On financial services, the Budget proposed continuing to explore with the Mainland authorities ways to open up more channels for two-way cross-boundary Renminbi (RMB) fund flow, and encouraging the financial sector to develop green financial products.

Fostering talent and increasing land resources are important for Hong Kong to stay

competitive under the “new economic order”. Apart from ongoing efforts to enhance the quality of education, the Government would also offer more internship and exchange opportunities to students and encourage the workforce to pursue continuing education. Substantial resources continued to be allocated for education, social welfare, healthcare services and other aspects in the Budget. Relevant initiatives were also announced, including allocating funds to implement Low-income Working Family Allowance Scheme, providing more subsidised residential care places for the elderly, and to explore extending Reverse Mortgage Programme to cover subsidised sale flats with unpaid premium. The Government would also continue to increase land supply to meet Hong Kong’s needs in terms of housing, economic and social development for maintaining our long-term competitiveness.

Maintaining healthy public finances is of utmost significance to Hong Kong. The Government would continue to adopt measures to contain expenditure, preserve our revenue base and manage fiscal reserves. The Future Fund was also established to achieve greater returns by way of long-term investment.

In addition, FS also proposed a series of relief measures, including:

- (a) reducing salaries tax, tax under personal assessment and profits tax for Year of Assessment 2015-16 by 75%, subject to a ceiling of \$20,000 per case;
- (b) waiving rates for four quarters of 2016-17, subject to a ceiling of \$1,000 per quarter for each rateable property; and
- (c) from Year of Assessment 2016-17 onwards, increasing the basic allowance and single parent allowance from \$120,000 to \$132,000; the married person’s allowance from \$240,000 to \$264,000; the dependent parent/grandparent allowance and the additional dependent parent/grandparent allowance for each eligible parent/grandparent from \$40,000 to \$46,000 (for aged 60 or above) and from \$20,000 to \$23,000 (for aged 55 or above but below 60); and the deduction ceiling for elderly residential care expenses for each eligible parent/grandparent from \$80,000 to \$92,000.

The 2015 Economic Background and 2016 Prospects were published along with the 2016-17 Budget. Hong Kong’s real Gross Domestic Product (GDP) growth in 2016 was forecast to be 1-2%, while the underlying and headline Composite Consumer Price Index (CCPI) inflation rates were forecast to average 2% and 2.3% respectively.

25 Feb The Government announced the 2016-17 Land Sale Programme (LSP). The LSP included 29 residential sites (with an aggregate capacity to produce about 19 200 flats), eight commercial/business sites and three hotel sites.

29 Feb The Chief Secretary for Administration (CS) and the Mayor of Shenzhen Municipal Government co-chaired the Hong Kong/Shenzhen Co-operation Meeting in Hong Kong. At the meeting, both sides reviewed the achievements made in the past year and set out the direction for co-operation for the coming year in key areas including innovation and technology, creative industries, financial services, professional services and youth co-operation.

The Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) launched a joint application exercise for the pre-sale of the HA’s 2 657 new Home Ownership Scheme flats located in Ka Shun Court, Sha Tin and Ping Yan Court, Ping

Shan, Yuen Long, and HKHS's 1 020 subsidised sale flats located in Greenhill Villa, Sha Tin, and seven rescinded subsidised sale flats in Greenview Villa, Tsing Yi. Some 52 800 applications were received and all flats were sold by the end of October 2016.

The Development Bureau, the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone and the Housing and Construction Bureau of Shenzhen Municipal Government signed and promulgated the Co-operation Arrangement for Trial Implementation of Hong Kong Construction Model in Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone of Shenzhen, which included allowing Hong Kong's firms and professionals in the construction sector to provide professional services for construction projects in Qianhai wholly or principally funded by Hong Kong businesses.

- 13 Mar The territory-wide Electronic Health Record Sharing System was launched. The new system provides an essential infrastructure for access and sharing of participating patients' health data by authorised healthcare providers in the public and private sectors with patients' consent. The objective is to enhance continuity of care, promote public/private sector collaboration and improve quality of healthcare delivery.
- 16 Mar The Immigration Department was awarded the Skytrax Award for Best Airport Immigration Service two years in a row, based on over 13 million survey questionnaires from air passengers, covering 550 airports worldwide.
- 17 Mar The National 13th Five-Year Plan was officially promulgated. A chapter is again dedicated to Hong Kong and Macao (the Dedicated Chapter), which acknowledges the significant functions and positioning of Hong Kong in the overall development of the country, as well as the scope and opportunities for development in a number of key areas. The Dedicated Chapter expresses support for Hong Kong and Macao in enhancing economic competitiveness, including supporting Hong Kong in consolidating and enhancing its status as an international financial, transportation and trade centre, strengthening its status as a global offshore RMB business hub and an international asset management centre, and promoting such areas as financing services, business and commerce, logistics and professional services towards high-end and high value-added developments. The Dedicated Chapter also expresses support for Hong Kong in developing innovation and technology industry, nurturing emerging industries as well as establishing itself as a centre for international legal and dispute resolution services in the Asia-Pacific region. The Dedicated Chapter emphasises deepening co-operation between the Mainland and Hong Kong/Macao, supporting Hong Kong in participating in the country's two-way opening up and in the Belt and Road Initiative.
- 23 Mar CS and the Vice-Governor of Guangdong Province co-chaired the 21st Working Meeting of the Hong Kong/Guangdong Co-operation Joint Conference in Hong Kong. The meeting decided to implement the 2016 Work Plan of the Framework Agreement on Hong Kong/Guangdong Co-operation which covers 92 co-operation items on various areas, including the Belt and Road Initiative, liberalisation of trade in services, innovation and technology, financial services, youth, education, professional services and environmental protection.
- 23 – 24 Mar CE attended the Boao Forum for Asia Annual Conference 2016 in Hainan.
- 24 Mar The Government gazetted the Deposit Protection Scheme (Amendment) Ordinance 2016. With the commencement of this amendment ordinance on the same day, a gross payout approach is adopted for the determination of compensation under the Deposit Protection Scheme in case the scheme is triggered. Under this approach, any compensation paid to

depositors is determined on the basis of their aggregate protected deposits held with a failed bank without deducting the amount of liabilities owed by those depositors to the same bank.

- 30 Mar The Government announced the extension of the concessionary scheme to encourage the development of data centres by conversion of existing industrial buildings and lease modification of industrial lots.
- 31 Mar Midfield Concourse at the HKIA commenced full operation, increasing HKIA's passenger handling capacity by 10 million a year.
- 1 Apr The Government established the HKMPB for closer co-operation between the Government and the industry to set the direction for development of Hong Kong's port and maritime services and to enhance Hong Kong's status as an international maritime centre.
- 11 – 23 Apr The two-week "International IT Fest 2016" was staged in Hong Kong, featuring 43 events to showcase Hong Kong's achievements in information and communications technology (ICT). Within it, the inaugural Internet Economy Summit brought together renowned ICT experts and leaders from around the world to explore future development and opportunities of the internet economy.
- 13 Apr The HKSAR Government and the Government of the Republic of Latvia signed an Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income.
- 15 Apr CS and the Vice-Governor of Fujian Province co-chaired the Second Hong Kong/Fujian Co-operation Conference in Hong Kong. Both sides agreed to further enhance co-operation in economic and trade, finance, innovation and technology, youth exchange, as well as exchanges on cultural and creative industries.
- 17 Apr CE visited Huizhou and Shenzhen to learn more about the achievements by Hong Kong industrialists in developing the innovation and technology industry in the Mainland.
- 25 Apr The European Commission published its 18th annual report on Hong Kong, which continued to affirm the co-operation between the European Union (EU) and Hong Kong in areas including trade, investment, and dialogue on issues of mutual interest, and recognise Hong Kong's strategic importance as a trading and investment partner for the EU.
- 26 Apr CE in Council approved the Chek Lap Kok Outline Zoning Plan for the development of the new third runway project of the HKIA.
- 3 May The Low-income Working Family Allowance Scheme was open for application. The Scheme aims to encourage self-reliance and ease inter-generational poverty.
- Hong Kong and Mexico commenced negotiations on an Investment Promotion and Protection Agreement.
- 12 May The Chief Executive Officer of the Securities and Futures Commission of Hong Kong (SFC) became the Chair of the Board of the International Organization of Securities Commissions.

- 13 May The Government released the preliminary GDP figures for the first quarter of 2016. The Hong Kong economy grew meagrely by 0.8% in real terms over a year earlier. The external environment deteriorated during the quarter, leading to a deeper setback in both goods and services trade.
- In the May review of the economic forecast for 2016, the forecast growth rate in real terms of GDP was maintained at 1-2%. The forecast rates of underlying and headline CCPI inflation were maintained at 2% and 2.3% respectively.
- 18 May The Government and the HKTDC organised the inaugural Belt and Road Summit, successfully bringing together more than 2 400 government and business leaders from the Mainland, Belt and Road countries and other regions to explore opportunities under the Belt and Road Initiative.
- Hong Kong and Indonesia signed a Memorandum of Understanding (MoU), pledging mutual co-operation on investment promotion exchanges and best practices.
- 19 May Hong Kong's first self-sustained sludge treatment facility, T-PARK, came into full operation. This facility combines a variety of advanced technologies into a single complex, bringing together sludge incinerators with a treatment capacity of up to 2 000 tonnes of sludge per day, as well as power generation, sea water desalination, educational and ecological facilities.
- 24 May Hong Kong and Austria signed a MoU to strengthen the co-operation between technology start-ups, incubators, early-stage investors like business angels and venture capital funds, start-up promotion agencies and spin-off centres of both places. They also agreed to collaborate in exchange of expertise and knowledge of the local markets.
- 31 May Hong Kong was ranked the world's most competitive economy by the Institute for Management Development World Competitiveness Yearbook 2016, up from the second place last year, and continued to be ranked first globally in government efficiency and business efficiency. The ranking in economic performance climbed four places from ninth to fifth.
- 1 Jun The liberalisation measures of the Agreement on Trade in Services under the Closer Economic Partnership Arrangement (CEPA) framework were implemented. Under the agreement, there are 153 sectors which the Mainland would fully or partially open up to Hong Kong services industry, accounting for 95.6% of all the 160 services trade sectors. The agreement, marking a new milestone, basically achieves liberalisation of trade in services between the Mainland and Hong Kong.
- 2 Jun The Legislative Council enacted the Patents (Amendment) Ordinance 2016 which provides for the legal framework for establishing an "original grant" patent system in Hong Kong in its bid to develop into a regional innovation and technology hub.
- 3 Jun The Government gazetted the Inland Revenue (Amendment) (No. 2) Ordinance 2016. This amendment ordinance enables, under specified conditions, the deduction of interest payable on money borrowed by a corporation carrying on in Hong Kong an intra-group financing business. It further set a concessionary profits tax rate at 8.25% for qualifying corporate treasury centres, and also clarifies profits tax and stamp duty treatments in respect of regulatory capital securities issued by banks to comply with the Basel III capital adequacy requirements.

The Companies (Winding Up and Miscellaneous Provisions) (Amendment) Ordinance 2016 was gazetted. This amendment ordinance seeks to improve and modernise Hong Kong's corporate winding-up regime by providing measures to increase protection of creditors as well as to streamline and further enhance the integrity of the winding-up process. This will help enhance Hong Kong's business environment.

- 6 Jun Diamond Hill Station extension of the Shatin to Central Link was topped-out.
- 7 Jun The Massachusetts Institute of Technology launched the first overseas Innovation Node in Hong Kong.
- 7 – 10 Jun CE conducted a visit to France and met with political and business leaders there.
- 10 Jun The Securities and Futures (Amendment) Ordinance 2016 was gazetted. It provides a legal framework for a new fund structure, which is open-ended fund company structure, in Hong Kong.
- 13 Jun Hong Kong and Shanghai signed an agreement to further co-operation on various fronts including financial markets, institutions, operation and products, talents, regulation, and financial technologies.
- 16 Jun The Government announced the subscription and allocation results of the sixth inflation-linked retail bond, or iBond, under the retail part of the Government Bond Programme. A total of 507 978 valid applications were received for a total of \$22.5 billion in principal amount of bonds. The final issue amount was \$10 billion with a tenor of three years.
- 17 Jun HKIA received the “Top Asian Airport Efficiency Excellence Award” from the Air Transport Research Society.
- 20 Jun Hong Kong indicated to the Organisation for Economic Co-operation and Development (OECD) its commitment to the package of measures to tackle “base erosion and profit shifting” (BEPS) and its consistent implementation, and joined the inclusive framework set up by OECD for implementing the BEPS package.
- 21 Jun The six-month “Retirement Protection Forging Ahead” public engagement exercise ended.
- 22 Jun Hong Kong continued to rank the world's second largest recipient of foreign direct investment flows in 2015, according to the World Investment Report 2016 released by the United Nations Conference on Trade and Development.
- 24 Jun HKIA was crowned the “Best Global Airport” at the 2016 Asian Freight, Logistics and Supply Chain Awards by Asia Cargo News.
- 24 – 26 Jun FS attended the First Annual Meeting of the Board of Governors of AIIB in Beijing, as a member of the delegation of China.
- 28 Jun The Finance Committee of the Legislative Council approved the 2016-17 Civil Service Pay Adjustment. The adjustment rates ranged from 4.19% to 4.68%, and took retrospective effect from 1 April 2016.

- 29 Jun The Ministry of Finance of the People's Republic of China announced the issuance in Hong Kong to institutional investors of a total of RMB14 billion RMB Sovereign Bonds of the Central People's Government with tenors ranging from 3 to 20 years.
- 30 Jun The Government published in the gazette the Financial Institutions (Resolution) Ordinance which establishes a cross-sector resolution regime in Hong Kong. The regime is in compliance with the prevailing international standards and seeks to mitigate the risks posed by the non-viability of systemically important financial institutions to the stability and effective working of the financial system of Hong Kong.
- The Inland Revenue (Amendment) (No. 3) Ordinance 2016 came into effect. The ordinance put in place a legal framework for the implementation of the international standard for automatic exchange of financial account information in tax matters (AEOI) in Hong Kong.
- 4 Jul The HKMA launched the Infrastructure Financing Facilitation Office (IFFO) to promote the development of Hong Kong as an infrastructure financing hub.
- The International Finance Corporation (IFC), a member of the World Bank Group, and the HKMA, signed a MoU to establish a strategic framework of co-operation with a view to strengthening the ability of investors, banks and the financial sector to facilitate investment in infrastructure projects in Asia.
- The Global Infrastructure Hub and the HKMA signed a MoU with respect to establishing a strategic framework of co-operation to facilitate the financing of infrastructure projects.
- 15 Jul FS led a HKSAR Government delegation to attend the Ninth Hong Kong Macao Co-operation High Level Meeting in Macao. The two sides reviewed the progress of co-operation work and achievements made in the past year, as well as discussed and decided on the directions of co-operation for the coming year. Hong Kong and Macao also initialled the draft main text of a free trade agreement (FTA), namely Hong Kong and Macao Closer Economic Partnership Arrangement (HK-Macao CEPA).
- 1 Aug The Government established the Belt and Road Office, to capitalise on the opportunities brought to Hong Kong by the Belt and Road Initiative and to liaise with government departments and various sectors of the community.
- The Airport Authority (AA) commenced construction works for the three-runway system at the HKIA.
- 10 Aug The Government announced the subscription and allocation results of the first Silver Bond under the retail part of the Government Bond Programme. The Silver Bond targets Hong Kong residents aged 65 or above. A total of about 76 000 valid applications were received for a total of \$8.9 billion in principal amount of bonds. The final issue amount was \$3 billion with a tenor of three years.
- 12 Aug The Government released the preliminary GDP figures for the second quarter of 2016. The Hong Kong economy grew modestly by 1.7% year-on-year in real terms, largely underpinned by a pick-up in goods exports.
- In the August update of the economic forecast for 2016, the forecast growth rate in real terms of GDP was maintained at 1-2%. The rates of underlying and headline CCPI inflation for 2016 were forecast at 2.2% and 2.3% respectively.



- 25 Aug The 11th Pan-Pearl River Delta Regional Co-operation and Development Forum and Trade Fair (PPRD Forum) was held in Guangzhou, Guangdong Province. The Secretary for Commerce and Economic Development attended the PPRD Forum on behalf of the HKSAR Government.
- The HKMA granted the first batch of five licences to the stored value facilities (SVF) issuers under the Payment Systems and Stored Value Facilities Ordinance.
- 2 – 6 Sep FS attended the Business 20 Summit, as well as the Group of Twenty Leaders' Summit in Hangzhou, as a member of the delegation of China.
- 5 Sep The Government announced the Hung Shui Kiu New Development Area (NDA) Revised Recommended Outline Development Plan prepared under the Hung Shui Kiu New Development Area Planning and Engineering Study, proposing the development of the NDA as the "Regional Economic and Civic Hub" which will accommodate a population of 218 000 and provide about 150 000 new employment opportunities.
- 6 Sep The Treasury Markets Summit 2016, jointly organised by the HKMA and the Treasury Markets Association, was held in Hong Kong. The Summit's panels focused on various facets of Hong Kong's financial and treasury markets, including how to sharpen Hong Kong's unique edge in the Belt and Road Initiative, the new normal of treasury markets, and the opportunities and challenges brought about by Fintech to treasury operations.
- The HKMA launched a Fintech Supervisory Sandbox to facilitate the pilot trials of Fintech and other technology initiatives of authorised institutions before they are launched on a fuller scale.
- The Investment Promotion and Protection Agreement between Hong Kong and Canada entered into force. The agreement will give additional assurance to investors, facilitate investment flows between Hong Kong and Canada, and further strengthen the economic and trade ties between both places.
- 12 and 28 Sep Hong Kong commenced FTA negotiations with Georgia and Maldives respectively. Entering into FTAs with Georgia, which is on the "land route", and Maldives, which is on the "maritime route", will help expand Hong Kong's FTA network in regions along the Belt and Road.
- 13 Sep The Government commenced a consultancy study to formulate a blueprint for developing Hong Kong into a smart city. A dedicated portal ([www.smartcity.gov.hk](http://www.smartcity.gov.hk)) was set up in November 2016 to collect ideas on smart city development from the industry, stakeholders and the public.
- 13 – 17 Sep FS led a business mission to Kazakhstan to strengthen business and economic ties between Hong Kong and economies along the Belt and Road.
- 14 Sep CE and the Governor of Guangdong Province co-chaired the 19th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference in Guangzhou. At the meeting, the two sides reviewed the progress of Hong Kong/Guangdong co-operation over the past year and set the direction for co-operation for the coming year in areas including the Belt and Road Initiative, environmental protection, financial services, professional services, co-operation in key regions, education and tourism.

- 15 Sep Hong Kong remained the freest economy in the world, according to the 2016 Annual Report on the Economic Freedom of the World jointly released by the Fraser Institute of Canada and the CATO Institute of the US.
- 29 Sep HKIA was named Payload Asia's "Asia Pacific Airport of the Year – Industry Choice" Award for the third consecutive year.
- 5 – 18 Oct FS attended the Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group in Washington, DC, as a member of the delegation of China. FS also represented Hong Kong to attend the Asia-Pacific Economic Co-operation Finance Ministers' Meeting in Lima, Peru and visited San Francisco and New York, the US and the Hague, the Netherlands to strengthen bilateral economic and trade ties between Hong Kong and these places.
- 13 Oct The Hong Kong Mortgage Corporation Limited extended the Reverse Mortgage Programme to HA and HKHS's subsidised sale flats with premium not yet paid, in order to enable more eligible elderly owners to improve their quality of life via the programme.
- 13 – 14 Oct CE attended the 2016 Pan-Pearl River Delta Regional Co-operation Chief Executive Joint Conference in Jiangxi.
- 14 Oct The Mandatory Provident Fund Schemes (Amendment) Ordinance 2016 (Commencement) Notice was gazetted to specify that the Mandatory Provident Fund Default Investment Strategy (DIS) would commence operation on 1 April 2017. The DIS is a highly standardised, fee-controlled investment strategy designed to be consistent with the objective of building up long-term retirement savings for scheme members. The fee control mechanism consists of two caps, namely a fee cap of 0.75% and an out-of-pocket expenses cap of 0.2%, both calculated as a percentage of the net asset value of the constituent funds under the DIS.
- 15 Oct The Commission on Poverty announced at the Poverty Summit the updated poverty line and poverty situation in Hong Kong in 2015. In 2015, on the back of moderate economic growth, the poverty line thresholds were raised along with the increase in household incomes. Compared with 2014, the poverty rate after recurrent cash policy intervention remained at 14.3% in 2015, with the size of the poor population up slightly to 0.97 million, staying below one million for the third consecutive year.
- 17 Oct The AA announced its plan for SKYCITY, a major integrated retail, dining and entertainment development situated in the Airport North Commercial District.
- 20 Oct The HA launched the pre-sale of Green Form Subsidised Home Ownership Pilot Scheme project in San Po Kong. About 16 200 applications were received. The project provides a total of 857 flats which are expected to be ready for occupation in mid-2017.
- 23 Oct Kwun Tong Line Extension was commissioned. The passenger service of the Kwun Tong Line was extended to Ho Man Tin and Whampoa.
- 26 Oct The World Bank released Doing Business Report 2017. Hong Kong's ranking in ease of doing business rose one place to the fourth position.

The Government announced that Hong Kong had signed agreements with Japan and the United Kingdom with a view to commencing AEOI with these two tax jurisdictions in 2018, and that it would seek to expand Hong Kong's AEOI network with its tax treaty

partners.

26 – 28 Oct IFFO hosted its first executive workshop co-organised with IFC and Eastspring Investments at the HKMA, with the theme of “Private Participation in Infrastructure Project Finance in Emerging Markets”, to kick off IFFO’s capacity building efforts. The IFFO also announced that 13 more organisations had joined IFFO as partners.

26 – 29 Oct The Environment Bureau co-organised the Eco Expo Asia 2016 with the HKTDC. The fair is an international trading platform showcasing the innovations of products and services in environmental protection industries from around the world. The main theme of the Expo was “Green Solutions for a Changing Climate”. It attracted 325 exhibitors from 19 countries and regions.

27 Oct The Government launched the six-month public engagement for “Hong Kong 2030+ : Towards a Planning Vision and Strategy Transcending 2030”, which serves to update the territorial development strategy to guide planning, land and infrastructure development and the shaping of the built environment of Hong Kong beyond 2030. Two strategic growth areas, namely New Territories North and East Lantau Metropolis, are proposed to help Hong Kong embrace the future challenges and opportunities.

The HKMA announced that it had designated nine banks as Primary Liquidity Providers (PLPs) for offshore RMB market in Hong Kong, following the expiry of the first term of designation to seven PLPs.

29 Oct – 6 Nov “InnoCarnival 2016” was held in Hong Kong Science Park. Local universities, R&D centres, professional bodies and technology institutions showcased their creative inventions and research achievements at the event. It attracted over 220 000 visits.

31 Oct The Minimum Wage Commission submitted its recommendation report to the CE in Council on completion of a new round of review of the Statutory Minimum Wage rate.

1 Nov The Bankruptcy (Amendment) Ordinance 2016 came into operation. This amendment ordinance introduces new arrangements to encourage bankrupts to fulfil their obligations to co-operate with the trustee-in-bankruptcy in respect of the administration of bankruptcy estate and to better protect the interests of creditors.

4 Nov As the residential property market showed renewed signs of exuberance in the third quarter of 2016, the Government announced the introduction of a new round of demand-side management measures, i.e. to increase the ad valorem stamp duty (AVD) rates to 15% across different value bands for residential property transactions, in lieu of the existing AVD rates at Scale 1 (commonly known as doubled ad valorem stamp duty (DSD)). The new measure has taken effect from 5 November 2016. The new measure will continue to adopt the exemptions provided for under the existing DSD regime, such that a Hong Kong Permanent Resident-buyer who does not own any other residential property in Hong Kong at the time of acquiring residential property will continue to pay AVD under the lower rates at Scale 2.

The HKMA granted the second batch of eight SVF licences to the SVF issuers under the Payment Systems and Stored Value Facilities Ordinance, adding the total number of licensees in the local SVF market to 13.

5 – 11 Nov FS led a business mission to Dubai, the United Arab Emirates, and Tehran, Iran to strengthen business and economic ties between Hong Kong and economies along the Belt and Road. On behalf of the HKSAR Government, FS signed a MoU on economic

co-operation with the Government of Iran.

- 10 Nov The MTR Corporation Limited established the MTR Academy to offer railway programmes for people in Hong Kong as well as the Mainland and overseas cities. The MTR Academy will further the development of the railway profession and support the Belt and Road Initiative.
- 11 Nov The Government released the preliminary GDP figures for the third quarter of 2016. The Hong Kong economy picked up slightly to a 1.9% growth in real terms over a year earlier. Domestic demand gathered further pace, while external demand also saw relative improvements.
- In the November update of the economic forecast for 2016, the forecast growth rate in real terms of GDP was revised to 1.5%. The forecast rates of underlying and headline CCPI inflation were revised slightly to 2.3% and 2.4% respectively.
- 14 Nov The new Air Traffic Control System of the Civil Aviation Department was fully commissioned to cope with the projected air traffic growth, including that to be brought about by the development of the three-runway system of the HKIA.
- 17 Nov The 10th annual Structured Dialogue meeting between the HKSAR Government and the EU was held in Brussels. The two sides conducted fruitful discussions on a wide range of subjects, reviewed the positive results of recent collaborations and identified areas for further co-operation.
- 17 – 20 Nov CE attended the Asia-Pacific Economic Co-operation 2016 Leaders' Week and related meetings in Peru.
- 18 Nov Hong Kong and Chile signed an Investment Agreement, which is an addition to the FTA between the two sides signed in 2012. The Investment Agreement is expected to enhance investors' confidence, expand investment flows, and further strengthen the economic and trade ties between the two places.
- 20 – 27 Nov HKMPB organised the first-ever Hong Kong Maritime Industry Week. The eight-day Maritime Industry Week comprised 29 events, attracting about 4 600 participants from maritime and port industries and the public.
- 21 Nov The Government launched the \$500 million "Technology Voucher Programme" to subsidise local small and medium enterprises in using technological services and solutions to improve their productivity.
- 22 Nov The ground breaking ceremony of Hong Kong Science Park Expansion Programme was held. Stage 1 of the Expansion Programme consists of the construction of two buildings with completion expected in 2020. The total floor space of Science Park will then be increased by about 22% to 400 000 square metres.
- 22 – 23 Nov The Government and HKTDC jointly hosted the Sixth Asian Logistics and Maritime Conference, attracting some 2 000 business leaders and industry practitioners from 34 countries and regions.
- 24 Nov The \$200 million Professional Services Advancement Support Scheme was formally launched to support the Hong Kong professional services sector in its exchanges and co-operation with their counterparts in external markets and related publicity activities.

- 27 – 30 Nov FS led a government delegation to visit Beijing and met with Central Government officials responsible for financial and monetary matters to discuss issues of mutual concern.
- 28 Nov – “Business of Design Week 2016”, the largest annual design event in Asia and one of the leading design events in the world, was held in Hong Kong. Chicago was the partner city for the event in 2016. Over 140 000 persons participated in “Business of Design Week 2016” and its concurrent events.
- 3 Dec
- 2 Dec The Ministry of Finance of the People’s Republic of China announced the tendering of a total of RMB14 billion RMB Sovereign Bonds of the Central People’s Government with tenors ranging from 3 to 30 years, of which RMB12 billion was issued to institutional investors, central banks and monetary authorities outside Mainland China and RMB2 billion issued to Hong Kong residents.
- The SFC and the Swiss Financial Market Supervisory Authority launched the Switzerland-Hong Kong Mutual Recognition of Funds scheme to enable the distribution of eligible public funds of one market in the other’s market through a streamlined vetting process.
- 5 Dec Shenzhen-Hong Kong Stock Connect was launched officially. Hong Kong and overseas institutional and retail investors can invest directly in eligible A-shares listed in Shenzhen through stock market in Hong Kong. Eligible Mainland investors can also invest in eligible stocks listed in Hong Kong through the Shenzhen market.
- 6 Dec Led by the private sector and facilitated by the HKMA and the United Kingdom HM Treasury, the London-Hong Kong Financial Services Forum was convened in London. The forum expanded its scope to cover not only RMB business but also infrastructure financing, green finance and the Belt and Road Initiative, and FinTech in 2016, with a view to deepening and broadening financial co-operation between London and Hong Kong across a number of areas in the coming years.
- 7 Dec Following the 2016 Article IV Consultation with the HKSAR, an assessment was made by the IMF in the Concluding Statement of the IMF Mission. The assessment commended the HKSAR for its strong policy frameworks, robust oversight of the financial system and ample buffers, which stand the economy in good stead to meet challenges ahead.
- 9 Dec CE attended the 15th Hong Kong-Pearl River Delta Industrial and Commercial Circle Goodwill Gathering 2016 in Shenzhen.
- The ground breaking ceremony for the Tseung Kwan O – Lam Tin Tunnel Project (TKO-LTT) was held. With expected completion in 2021, TKO-LTT will become an additional major road link between Tseung Kwan O and East Kowloon, effectively relieving the traffic load of Tseung Kwan O and Tseung Kwan O Tunnel.
- 15 Dec The HKMA announced an upward adjustment of the Base Rate by 25 basis points to 1.00%, according to a pre-set formula. The increase in the Base Rate followed the 25-basis-point upward shift in the target range for the US federal funds rate on 14 December in the US.
- 16 Dec The Hong Kong International Aviation Academy and the Ecole Nationale de l’Aviation Civile of France signed a MoU to jointly develop programmes targeting practitioners from the local and regional aviation industry, including countries and regions along the

Belt and Road.

- 20 Dec The Government released the Long Term Housing Strategy Annual Progress Report 2016. The updated total housing supply target for the ten-year period from 2017-18 to 2026-27 is 460 000 units.
- The HKMA and the China Development Bank Corporation signed a MoU with respect to establishing a strategic framework of co-operation to facilitate the financing of infrastructure projects via the IFFO platform.
- The HKMA and the Export-Import Bank of China signed a MoU on co-operation in the facilitation of the investment and financing of infrastructure projects via the IFFO platform.
- 21 Dec The Environment Bureau announced a three-step plan to phase out the local trade in ivory by the end of 2021, and proposed to impose heavier penalties on smuggling and illegal trading of endangered species to combat illicit wildlife trade.
- 23 Dec The Government launched the “Midstream Research Programme for Universities” to encourage local universities to conduct more inter-disciplinary or multi-institution collaboration research, such that more research outcomes could be made available for further downstream research work or commercialisation.
- 28 Dec The South Island Line (East) was commissioned, providing convenient railway services for passengers travelling to and from the Southern District of Hong Kong Island.
- Through the “Public Sector Information Portal” (data.gov.hk), the Government released some 200 new application programming interfaces, covering different policy areas. It provides the community with more convenient access to government open data to develop innovative applications and services.
- 29 Dec HKIA welcomed its 70 millionth passenger of the year, the first time HKIA’s annual passenger throughput surpassed this milestone.
- 30 Dec The Banking (Disclosure) (Amendment) Rules 2016 and the Banking (Specification of Class of Exempted Charges) (Amendment) Notice 2016 were gazetted to implement, or facilitate the implementation of, recent international standards for banking regulation in Hong Kong.
- 31 Dec The number of visitors to Hong Kong in 2016 was 56.65 million.
- The stock market of Hong Kong ranked first globally in terms of the amount of funds raised through initial public offerings in 2016.