

Calendar of Events of Significance for the Hong Kong Economy in 2008

- 1 Jan The liberalisation measures under Supplement IV to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) came into effect. Hong Kong service suppliers enjoyed preferential access to the Mainland market in 38 service areas, which included 40 new liberalisation measures in 28 service areas. Moreover, the number of products with CEPA rules of origin agreed was increased to 1 502.
- The Central Government implemented a series of measures to stabilise the supply and prices of cereals and grain flour in the Mainland domestic market, including an export quota licence administration, and a temporary export tariff regime. Subsequently, the Mainland confirmed that no tariff would be levied on products for the consumption of Hong Kong, Macao and Taiwan.
- 2 Jan The Companies Registry (CR) shortened the time span required for incorporation of local companies from 6 working days to 4 working days.
- 7 Jan The Government signed the new post-2008 Scheme of Control Agreements (SCAs) with each of the two power companies. The new Agreements have a 10-year term with a Government option to extend for 5 years, depending on market readiness for open market. Under the new SCAs, the permitted rate of return of the power companies will be reduced from 13.5%-15% to 9.99% on their Average Net Fixed Assets, and linked to the power companies meeting the emission caps stipulated under the Air Pollution Control Ordinance. The new Agreements ensure continued supply of reliable, safe and efficient electricity supplies at reasonable prices.
- 11 Jan The Finance Committee of the Legislative Council (LegCo FC) approved a sum of \$88.6 million for the Highways Department to engage consultants to undertake the investigation and preliminary design for the Tuen Mun-Chek Lap Kok Link (TM-CLKL) and Tuen Mun Western Bypass (TMWB). The TM-CLKL and TMWB will provide a strategic road network linking the Shenzhen Bay Bridge, Kong Shum Western Highway, Tuen Mun West, the Hong Kong International Airport (HKIA), and Hong Kong-Zhuhai-Maco Bridge (HKZMB) for the further development of the logistics industry and tourism.
- 14 Jan The Hong Kong Monetary Authority (HKMA) launched a tap issue of 91-Day Exchange Fund Bills, totalling HK\$6 billion. The launch of the tap issue was primarily to address an increase in demand for Exchange Fund paper arising from the banks' intraday liquidity needs.
- 14-15 Jan Co-organized by the Office of the Government Chief Information Officer (OGCIO), the Fifth Pearl River Delta Software Industry Forum was held in Hong Kong to promote the exchange of information industry of Hong Kong and the Pearl River Delta (PRD).
- 15 Jan The HKMA and the Islamic Financial Services Board jointly organised the one-and-a-half-day Seminar on Islamic Finance in Hong Kong to promote discussion of the development of an Islamic financial platform in Hong Kong.

The Heritage Foundation and the Wall Street Journal released the 2008 Index of Economic Freedom. Hong Kong was rated the freest economy in the world for the 14th straight year, followed by Singapore and Ireland.

- 17 Jan The Task Force on Airport Co-operation between Hong Kong and Shenzhen held its first meeting to discuss initiatives to strengthen the co-operation of the two airports and commissioned a preliminary study on the feasibility and economic benefits of establishing a direct rail link between the two airports.
- 18 Jan The Government announced enhancements to the Quality Migrant Admission Scheme (QMAS) to cast a wider net for quality migrants. Relevant enhancements took immediate effect, which include lifting the age limit so that potential candidates aged 51 or above are eligible to apply; adjusting the marking scheme to make it possible for younger degree holders with less working experience to meet the passing mark for further assessment; and streamlining the extension of stay requirement for QMAS entrants admitted through the Achievement-based Points Test.
- 23 Jan The HKMA announced that the Base Rate was adjusted downward by 75 basis points to 5.00%.
- 25 Jan - 1 Feb The Chief Executive (CE) led a high-level business mission to Kuwait, Riyadh, Abu Dhabi and Dubai to promote Hong Kong's financial services.
- 28 Jan The Government signed a design and build contract for the Tamar Development Project. The project is expected to be completed in 2011.
- 31 Jan The HKMA announced that the Base Rate was adjusted downward by 50 basis points to 4.50%.
- 5 Feb The International Monetary Fund (IMF) released its Staff Report on Hong Kong for 2007. IMF reiterated its support for the authorities' commitment to the Linked Exchange Rate system, and concluded that the real value of the Hong Kong dollar was in line with fundamentals. IMF also recognised the Government's efforts in furthering Hong Kong's role as an international financial centre, including the authorities' proactive efforts in seeking ways for Hong Kong's developed financial platform to benefit the Mainland and the increased cross-boundary co-ordination with Mainland regulators.
- 27 Feb The Financial Secretary (FS) presented the Budget for the financial year 2008-09 to the Legislative Council (LegCo).

The FS proposed, among others, to: raise the personal allowances and lower the standard rate to their 2002-03 levels; reduce the corporate profits tax rate from 17.5% to 16.5%; widen the tax bands from \$35,000 to \$40,000; raise the deduction ceiling for charitable donations from 25% to 35% of assessable income or profits; provide tax deductions for capital expenditure on environment-friendly facilities; reduce hotel accommodation tax to 0%; and exempt duties on wine, beer and all other alcoholic beverages except spirits.

The FS also proposed, as one-off measures, to reduce 75% of the 2007-08 final tax in respect of salaries tax, profits tax, property tax and tax under personal assessment, subject to a ceiling of \$25,000 per case; waive business registration fees for the year 2008-09; and waive rates for the four quarters of the financial year 2008-09, subject to a ceiling of \$5,000 per quarter for each ratable tenement.

Moreover, the FS proposed to make a one-off injection of \$6,000 into the Mandatory Provident Fund (MPF) accounts of eligible members of MPF schemes / MPF Exempted Occupational Retirement Schemes (“ORSO schemes”) who each earns not more than \$10,000 a month to demonstrate the Government’s commitment to enhancing retirement protection and relieving the pressure on social welfare expenditure in the long run.

The 2007 Economic Background and 2008 Economic Prospects were published along with the 2008-09 Budget. On Hong Kong’s economic outlook for 2008, the Gross Domestic Product (GDP) growth was forecast at 4% to 5% in real terms. Meanwhile, headline and underlying Composite Consumer Price Indices (CCPI) for 2008 were forecast to increase by 3.4% and 4.5% respectively.

- 28 Feb At its eighth meeting, the HZMB Advance Work Co-ordination Group (AWCG) reached consensus on the project’s financial arrangement. The three sides also agreed that the three Governments would be responsible for the construction and operation of the boundary crossing facilities and the connecting roads to the bridge within their own territory. The HZMB Main Bridge would be tendered under a Build, Operate and Transfer arrangement.
- Feb HKIA was named the “Best Airport” among airports serving over 40 million passengers annually at the Airport Services Quality Awards 2007 run by the Airports Council International.
- 3 Mar The European Commission published its tenth annual report on the HKSAR. The report recognised that the co-operation between the European Union (EU) and Hong Kong had deepened in 2007. It re-affirmed the importance of Hong Kong as a partner for the EU; and the increasingly important role Hong Kong played in facilitating trade between the Mainland and Europe.
- 4-9 Mar With sponsorship from OGCIO, the Hong Kong Software Outsourcing Alliance co-organized with the Hong Kong Trade Development Council (HKTDC), HKPC and its Guangdong partner to set up a Joint Pavilion in CeBIT 2008, a trade fair in Germany, promoting the co-operation between Hong Kong and Guangdong in software outsourcing.
- 10 Mar The “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” held its first meeting in Shenzhen, marking a start in joint study of boundary district development projects. The joint task force endorsed its terms of reference, organisation and composition. It was agreed that meetings would be held about every six months to discuss the work relating to the planning and development studies in respect of the boundary district.

- 11 Mar The Government announced that the MTR Corporation Limited would proceed with the further planning and design of the Shatin to Central Link and the Kwun Tong Line Extension.
- 11-12 Mar Hong Kong hosted the World Ports Summit at the Hong Kong Convention and Exhibition Centre. The ports of Shanghai, Singapore, Rotterdam, Shenzhen, Busan, Los Angeles, Seattle, Melbourne and Hong Kong participated in the Summit.
- 13 Mar The Government published the Healthcare Reform Consultation Document "Your Health, Your Life" to initiate the first-stage public consultation on a package of proposals for reforming the service structure and financing arrangements of our healthcare system, with a view to ensuring its long-term sustainability to provide healthcare protection and quality service for the population.
- 17-20 Mar Television and Entertainment Licensing Authority sponsored the HKTDC to organize the second edition of the "Locations World" pavilion in the Hong Kong International Film and TV Market (FILMART) 2008 on filming locations in the Mainland and Hong Kong being the choice filming location in Asia.
- 18 Mar The Airport Authority (AA) awarded the franchise to design, construct and operate a new cargo terminal at HKIA.
- 19 Mar The HKMA announced that the Base Rate was adjusted downward by 75 basis points to 3.75%.
- 21 Mar The open recruitment freeze imposed on grades included in the Second Voluntary Retirement Scheme expired. To address manpower needs and avoid succession problems, the Government decided not to extend the recruitment freeze.
- 27 Mar The Secretary for Commerce and Economic Development (SCED) officiated at the Government Wi-Fi Programme launching ceremony at the Hong Kong Central Library to inaugurate the rollout of free government Wi-Fi service for public use at some 30 popular government premises. The programme will progressively roll out the service to some 350 government premises by mid 2009. Alongside the launching ceremony, OGCIO organised the Symposium on Wireless and Mobile Services and Technology, which provided a platform for government officials, ICT industry and professional bodies to exchange views and incubate ideas on wider adoption of Wi-Fi and related technologies for building Hong Kong into a wireless city.

The United Kingdom (UK) Foreign and Commonwealth Office presented to UK parliament the 22nd Six-monthly Report on Hong Kong covering the period July to December 2007. The Report stated that the "One Country, Two Systems" principle had generally worked well and that the rights and freedoms promised to Hong Kong in the Joint Declaration had continued to be respected.

The China Insurance Regulatory Commission signed a regulatory cooperation agreement with the Securities and Futures Commission (SFC) to enable the use of Mainland insurance funds outside the Mainland. As a result, Hong Kong became the first destination for Mainland insurance funds wishing to invest overseas.

- 27-28 Mar Hong Kong hosted the 34th Asia-Pacific Economic Co-operation (APEC) Industrial Science and Technology Working Group Meeting at the Hong Kong Convention and Exhibition Centre. About 60 government officials and experts in the science and technology field in the Asia-Pacific region attended the meeting to discuss ways to assist the development and application of industrial science and technology in the region.
- 3 Apr The SFC signed a memorandum of understanding (MOU) with the Dubai Financial Services Authority for mutual cooperation on capacity building and human capital development in Islamic finance. This arrangement would enable Hong Kong to play a more active role in the development of Islamic finance.
- 8 Apr With sponsorship from OGCIO, Cyberport organised the Fifth Digital Entertainment Leadership Forum. Renowned overseas experts in digital entertainment shared their vision and experiences, and inspired the local digital entertainment industry on the trends and market potentials of immersive media technology.
- 12 Apr The CE attended the Boao Forum for Asia Annual Conference.
- 14-17 Apr The OGCIO collaborated with the HKTDC to organise the International ICT Expo 2008. The event was consisted of exhibition, conferences and forums which provided a platform for the industry to promote their ICT products and services. Business matching activities were also arranged for local, Mainland and overseas companies. The event attracted 585 exhibitors and over 27 000 visitors worldwide.
- 16 Apr The first meeting between the Tourism Commission and the Macao Government Tourist Office, with participation of the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong, was held in Macao to facilitate exchanges between Hong Kong and Macao on tourism issues of mutual concern, and collaboration in tourism development and promotion.
- 17-20 Apr To explore technology co-operation opportunities between Hong Kong and Chongqing, the ITC, together with Hong Kong's Research and Development Centres, Hong Kong Science and Technology Parks and HKPC, participated and set up a "Hong Kong Pavilion" in the Eighth China Chongqing Hi-Tech Fair.
- 18 Apr The Government, in collaboration with Economic and Trade Commission of Guangdong Province, launched the five-year Cleaner Production Partnership Programme to encourage and facilitate Hong Kong-owned factories in the PRD region to adopt cleaner production technologies and practices with a view to reducing emissions and enhance energy efficiency.

- 22 Apr The Government announced that the MTR Corporation Limited would proceed with the further planning and design of the Hong Kong Section of the Guangzhou – Shenzhen – Hong Kong Express Rail Link under the concession approach.
- 25 Apr A high-level Central Coordinating Committee on Anti-Money Laundering and Counter Financing of Terrorism chaired by the FS held its first meeting. The objective of the Committee is to steer and coordinate the effort of Government departments and relevant financial regulators in the strategic development of the anti-money laundering and counter financing of terrorism regime in order to meet internationally recognized standards.
- 25-27 Apr The CE led a delegation of officials and business leaders to attend the Expo Central China 2008 held in Wuhan, Hubei.
- 28 Apr The Electronic Business System Phase 2 of the Marine Department was launched to speed up the submission and processing of port formalities and application of a ship's transcript anytime, anywhere without additional costs to shipping companies and ship agents.
- 2 May The HKMA announced that the Base Rate was adjusted downward by 25 basis points to 3.50%.
- 4 May The China Securities Regulatory Commission announced new measures to allow qualified fund management companies in the Mainland to set up operations in Hong Kong under CEPA, which would bring more Mainland fund management companies to Hong Kong.
- 5 May The second meeting of the “Steering Group on Shenzhen-Hong Kong Co-operation in Innovation and Technology” was held in Hong Kong. The meeting agreed to carry out more in-depth and comprehensive collaboration and exchanges in technology.

Hong Kong and Shenzhen launched the first major technology co-operation project under the “Shenzhen and Hong Kong Innovation Circle” to establish a Solar Energy Research and Industrial Platform in collaboration with DuPont. Under the project, a Solar Energy R&D Support Centre would be established at the Hong Kong Science Park to assist the development of solar energy and related technology in Hong Kong and the PRD region. DuPont would join the centre as the first anchor tenant by locating its Global Thin Film Photovoltaic business and R&D Centre in the Hong Kong Science Park. At the same time, Shenzhen would collaborate with Hong Kong to provide land and other facilities to support the downstream development and manufacturing of solar energy products.

The LegCo FC approved an allocation of \$208 million for the launching of the Qualifications Framework Support Schemes, which would provide financial assistance to education and training providers and employees to facilitate continuing education and lifelong learning.

- 9 May The LegCo FC approved a sum of \$2,407.5 million for the design and site investigation for the Shatin to Central Link.

To further facilitate the public in choosing energy efficient appliances and raise public awareness on energy saving, the Government introduced the mandatory Energy Efficiency Labelling Scheme (EELS) through the Energy Efficiency (Labelling of Products) Ordinance. Under the Scheme, energy label must be displayed on these prescribed products, before being supplied in Hong Kong. The implementation of the mandatory EELS would lead to electricity saving and reduction of carbon dioxide emission.

11-12 May The HKMA, Treasury Markets Association and HKTDC jointly presented the Hong Kong Showcase on Islamic Finance in a roadshow in the Middle East.

15-19 May The Commerce and Economic Development Bureau (CEDB), in collaboration with the HKTDC and the local creative industries, participated in the Fourth China (Shenzhen) International Cultural Industries Fair and set up a cross-sector “Creative HK” Exhibition which showcased Hong Kong’s accomplishments in various creative industries including architecture, advertising, design, film, culture and arts. The FS led a delegation of Hong Kong’s creative industries to attend the opening ceremony.

16 May The Government published the First Quarter Economic Report 2008. The Report pointed out that the Hong Kong economy expanded strongly by 7.1% in real terms over a year earlier, despite adversities in the external environment. Exports of both goods and services grew notably further amidst the buoyant Mainland and other emerging economies, and the notable growth of financial services, offshore trade and inbound tourism. Domestically, consumption and investment also expanded markedly further, amid strong consumer and investor confidence.

In the May update of the economic forecast for 2008, the forecast growth rate in real terms of GDP was maintained at 4% to 5%. Meanwhile, the forecast rates of increase in the headline and underlying Composite CPI were kept at 3.4% and 4.5% respectively.

20 May The HKMA and the Dubai International Financial Centre Authority signed a MOU aimed at fostering co-operation in the development of Sharia-compliant financial products and the financial infrastructures in their respective jurisdictions.

A \$1 billion “Building Maintenance Grant Scheme for Elderly Owners” was launched. The scheme provides financial assistance to elderly owner-occupiers aged 60 or above to repair and maintain their properties for improving building safety.

21 May The Development Bureau received 114 proposals from various non-profit-making organisations for revitalising the first batch of seven historic buildings under the Revitalising Historic Buildings Through Partnership Scheme.

24 May – 4 June The FS led a high-level mission to Slovenia, Austria and the Czech Republic to promote the opportunities that were available in Hong Kong to global partners.

- 27 May Stage 1 Public Engagement of the draft concept plan proposed in the consultancy study “Land Use Planning for the Closed Area” commenced for a period of two months. The Study aims at formulating a planning framework based on the sustainable development principles to guide the conservation and development of the area to be released from the Frontier Closed Area.
- 30 May The Secretary for Constitutional and Mainland Affairs, on behalf of the HKSAR, signed an agreement with the Bureau of Shanghai World Expo Coordination in the presence of the CE confirming HKSAR’s participation in the World Exposition 2010 Shanghai China to be held in Shanghai from 1 May to 31 October 2010. HKSAR’s participation in the event would help enhance our image, showcase our various strengths and attractions, promote our broader commercial interests to both the Mainland and international audience, and further strengthen our economic relations with the Mainland.
- 30 May - 1 Jun The CE visited Shanghai to strengthen link and enhance co-operation between the two places.
- 3 Jun The Hong Kong Mortgage Corporation Limited (HKMC) announced the launch of a new retail bond issue with four series of notes under the HK\$20 Billion Retail Bond Issuance Programme.
- 5 Jun The Tenth Pan-PRD Regional Co-operation IT Department Directors Joint Conference was held in Hong Kong for directors and representatives of Department of Information Industry of Pan-PRD provinces/regions to share experience and explore co-operation opportunities. A technical forum was held concurrently, enabling government and industry specialists to exchange experience on data centre management.
- 6 Jun In support of the development of Hong Kong into the regional trading and distribution centre of quality table wine, the administrative controls on wine and other duty exempted alcoholic beverages were removed to facilitate their import, export and storage.
- The LegCo FC approved \$86.9 million for the investigation and preliminary design for the HZMB Boundary Cross Facilities, and \$46.6 million for the preconstruction works for the HZMB.
- The “Arrangements for the Implementation of Clean Development Mechanism (CDM) Projects in the Hong Kong Special Administrative Region”, which set out the specific process and procedures for Hong Kong companies to collaborate with foreign institutions in conducting CDM projects in Hong Kong, was announced. These projects would help further reduce Hong Kong’s greenhouse gas emissions and support the sustainable development goal.
- 10 Jun The Government announced the freezing of water charges for 2008-09 and 2009-10 with an aim of relieving the burden of the public.

- 16 Jun The Planning Department and Civil Engineering and Development Department jointly commissioned consultants to undertake the “North East New Territories New Development Areas Planning and Engineering Study” (the Study). The Study will take about 30 months to complete. The overall objective of the Study is to establish planning and development frameworks for the Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling New Development Areas to meet long-term housing, social, economic and environmental needs, and to formulate implementation programmes.
- 18 Jun The Trade Descriptions (Amendment) Ordinance 2008 was enacted to strengthen the protection for consumers.
- Hong Kong ranked the first in the Enabling Trade Index 2008 published by the World Economic Forum for the first time.
- The Mandatory Provident Fund Schemes (Amendment) (No. 2) Ordinance 2007, covering proposals to enhance enforcement actions and penalties against non-compliant employers so as to better protect the interests of employees, was enacted by the LegCo.
- 20 Jun The SFC and the Hong Kong Exchanges and Clearing Limited (HKEx) jointly introduced measures to streamline the admission procedures for Exchange Participants and the registration and approval procedures for their staff members and substantial shareholders with a view to streamlining the operations of HKEx and Exchange Participants.
- 25 Jun The Hong Kong Mercantile Exchange announced its intention to create a commodities futures exchange in Hong Kong.
- 30 Jun The OGCIO launched a one-stop Procurement Portal under the e-Procurement Pilot Programme to share procurement-related information internally within Government and externally with suppliers.
- 1 Jul The 3% hotel accommodation tax was waived to further promote tourism and enhance the competitiveness of the hotel industry.
- HKEx launched the framework for the issuance of Hong Kong depositary receipts, providing an alternative listing route for issuers.
- 3 Jul The LegCo approved adjustments in the Trade Effluent Surcharge effective from 1 August 2008, including, among others, a reduction in the rates for the restaurant trade by around 19%.
- 3-11 Jul The West Kowloon Cultural District Authority (WKCDA) Bill was passed by the LegCo, providing for the establishment of the WKCDA to plan, develop and operate the facilities under its purview in the West Kowloon Cultural District (WKCD).

- 4 Jul The LegCo approved, a one-off upfront endowment of \$21.6 billion to the WKCDA to cover the capital costs of the WKCD project. The Home Affairs Bureau is assisting the WKCDA to press ahead with the preparation of the Development Plan for the WKCD and other strategic matters to bring the operation of the Authority into full swing.
- The third plenary meeting of the Hong Kong/Guangdong Expert Group on Co-operation in Informatisation under the Hong Kong/Guangdong Co-operation Joint Conference was held in Guangzhou to further promote co-operation in informatisation between the two places.
- 7 Jul The SFC signed a “declaration of mutual recognition” with the Australian Securities and Investments Commission to facilitate the sale of retail funds to investors in each other’s market. This arrangement would help Hong Kong fund managers tap opportunities in the Australian market and enhance the depth and breadth of Hong Kong’s fund management industry.
- 8 Jul The LegCo FC approved a sum of \$2,782.6 million for the design and site investigation for the Hong Kong Section of the Guangzhou – Shenzhen –Hong Kong Express Rail Link.
- 10 Jul The Mandatory Provident Fund Schemes (Amendment) (No. 3) Ordinance 2008 was enacted by the LegCo, providing a legal framework for the Mandatory Provident Fund Schemes Authority to implement the Government’s proposal to make a one-off injection of \$6,000 into the accounts of eligible members of MPF schemes and ORSO schemes to enhance their retirement protection.
- 11 Jul The HKMA and the TMA jointly organised the Asia Treasury Markets Summit in Hong Kong.
- The Financial Markets Association (ACI), a global association of wholesale financial market professionals based in Paris, France, established its first regional office in Asia, ACI Asia, in Hong Kong.
- The HKMA designated the Renminbi CHATS, the clearing and settlement system of RMB transactions in Hong Kong, and issued a certificate of finality to the system under the Clearing and Settlement Systems Ordinance. It brought the system under the oversight regime of the HKMA, as with other CHATS systems in Hong Kong.
- Streamlined provisions concerning incorporation of local companies in the Companies Ordinance (Cap.32) came into operation. The CR introduced new incorporation forms containing comprehensive information of new companies. Separate notifications reporting company details after incorporation would no longer be required.
- 14 Jul The concessionary duty rate on Euro V Diesel was further reduced from \$0.56 per litre to zero to help alleviate the impact of rising fuel costs on the transport and logistics industry.

To protect public health and further minimize the risk of human infection by avian influenza, the LegCo FC approved funding of \$1,123 million to offer a buyout package to the live poultry trade to further the policy objective of separating live poultry from humans.

The LegCo FC also approved the 2008-09 Civil Service Pay Adjustment, which took retrospective effect on 1 April 2008. The adjustment rates ranged from 5.29% to 6.30%.

HKIA was voted the “World’s Best Airport” for the seventh time in eight years in the annual Skytrax survey, which polled more than 8.2 million travellers of over 97 nationalities.

15 Jul The CE in Council approved the draft Urban Renewal Authority Kwun Tong Town Centre – Main Site Development Scheme Plan and Yuet Wah Street Site Development Scheme Plan. The project, when completed, will improve the living conditions of 4 500 existing residents in the project area.

16 Jul The CE announced a series of short-term relief measures totalling \$11 billion, which included, among others, extra payment of Old Age Allowance, Comprehensive Social Security Assistance and Disability Allowance, rent waiver for public housing, extension of electricity charge subsidy, freeze on livelihood-related government fees and charges, and suspension of Employees Retraining Levy on foreign domestic helpers.

Octopus Card Ltd. and Citibank jointly announced the issue of the first credit card by Citibank embedded with Octopus’ stored value function. The HKMA welcomed the launch of the co-branded card as it would enhance competition in the multi-purpose stored value card market in Hong Kong.

17 Jul The HKMA published the report on the review of its work on banking stability by the independent consultant, Mr David Carse. The report found that the Hong Kong banking system was in robust condition and that the HKMA was widely respected by the Hong Kong banking sector for its professionalism and effectiveness, and viewed by outside commentators as in the top flight of regulators internationally.

19 Jul A ceremony celebrating the 10th anniversary of the “No Fakes” Pledge Scheme was held. As at December, 584 retail merchants covering more than 4 700 outlets joined the Scheme.

19-26 Jul The CE led a business delegation to Heilongjiang, Jilin, and Liaoning.

23 Jul The AA announced the commissioning of the HKIA Master Plan 2030, a 20-year blueprint for the future development of the airport.

24 Jul The Government commenced the "Green Hong Kong • Carbon Audit" campaign and launched first carbon audit guidelines for buildings in Hong Kong. At the same day, about 40 organisations from various sectors took lead to become the "Carbon Audit • Green Partners".

The SFC released its annual Fund Management Activities Survey which showed that the combined fund management business in Hong Kong recorded a 56.5% year-on-year increase to \$9,631 billion as at end 2007.

29 Jul The Government and the Central Government signed the Supplement V to the CEPA and announced the package of services liberalisation and facilitation measures to deepen Hong Kong's economic and trade co-operation with Guangdong. From 1 January 2009, the Mainland would implement 29 liberalisation measures in 17 service areas, including existing sectors such as conventions and exhibitions, banking, construction and related engineering services, social services, tourism, accounting, and medical and dental services, as well as two new sectors, services incidental to mining, and related scientific and technical consulting services. In addition, with effect from 1 July 2008, the number of products with CEPA rules of origin agreed was increased to 1 510.

A package of 25 services liberalisation and facilitation measures for early and pilot implementation in Guangdong would also be implemented, of which 17 had been included under CEPA.

Under the framework of "Trade and Investment Facilitation" in Supplement V to the CEPA, the Trademark Office of the State Administration for Industry and Commerce and the Intellectual Property Department of the Government set up a Trademark Working Co-ordination Group. This serves as a regular communication channel between the two sides for strengthening exchanges and co-operation in areas such as trademark registration and trademark protection.

31 Jul The first gold Exchange Traded Fund was listed on the Main Board of the Stock Exchange of Hong Kong Limited, widening product choice in the Hong Kong securities market.

Standard & Poor's upgraded Hong Kong's long-term foreign- and local-currency ratings to "AA+" from "AA", with "Stable" outlook.

Early Aug The two domestic free television broadcasters, Asia Television Limited and Television Broadcasts Limited extended the coverage of digital terrestrial television broadcasting to 75% of population of Hong Kong.

1 Aug HKIA won the Air Transport Research Society's "2008 Asia-Pacific Airport Efficiency Excellence Award".

The Ministry of Finance (MoF) and the State Administration of Taxation (SAT) adjusted the export tax rebate rates of certain commodities. The export tax rebate rates of textile products and garments were raised from 11% to 13%.

To facilitate the "Fixed-Mobile Convergence", the Government introduced the new Unified Carrier Licensing regime, enabling operators to provide different services (including fixed, mobile and converged services) under a single, flexible and harmonized licensing framework.

Suspension of the collection of the Employees Retraining Levy for a period of five years.

The SFC streamlined the pre-vetting of notices and advertisements of collective investment schemes authorized by the SFC under the Code on Unit Trusts and Mutual Funds, the Code on Investment-Linked Assurance Schemes, the Code on Pooled Retirement Funds and the Code on MPF Products, with a view to creating efficiency for the fund industry in Hong Kong.

4 Aug The FS attended the APEC Ministerial Meeting on Structural Reform held in Melbourne.

5 Aug The CE and the Governor of Guangdong Province co-chaired the 11th Plenary of the Hong Kong Guangdong Co-operation Joint Conference held in Guangzhou, Guangdong Province. Both agreed to further enhancing co-operation in areas which are closely related to people's livelihood, including major cross-boundary infrastructural projects and boundary control points, facilitation of people and cargo flow, economic and trade, environmental protection, safeguarding of food safety, innovation and technology, etc.

A consensus was reached on a new financing arrangement for the HZMB Main Bridge. The three sides further agreed to take up the responsibility for the construction of the Main Bridge. To demonstrate its full support for the HZMB, the Central Government decided to make contribution to the construction cost of the Main Bridge.

9-21 Aug The Beijing 2008 Olympic Equestrian Events were successfully held in Hong Kong. The events took place with a high regard for safety, and there were no fatalities or major injuries either to the athletes or the horses. Spectator participation was at a high level, and average attendance was 80%, which amounted to a "full house" according to the standards set by the Beijing Organising Committee for the Games of the XXIX Olympiad.

15 Aug The Government published the Half-yearly Economic Report 2008. The Report pointed out that the Hong Kong economy grew moderately by 4.2% in real terms in the second quarter over a year earlier. The slowdown reflected the moderation in exports of goods amid the increasingly challenging external environment. Locally, consumption spending also moderated, as the stock market correction, rising inflation and dimmer economic prospect weighed on consumer sentiments, while investment spending continued to expand further.

In the August update of the economic forecast for 2008, the forecast growth rate in real terms of GDP was kept unchanged at 4% to 5%. Meanwhile, the forecast rates of increase in the headline and underlying Composite CPI were revised upward to 4.2% and 5.5% respectively.

19 Aug A MOU on Co-operation in Wine-related Businesses was signed with France, covering wine-related trade and tourism, investment, education and counterfeits. Another MOU was signed on 7 October with Bordeaux, a wine-producing region of France. One important co-operation area under the Bordeaux MOU was the organisation of a wine cum gourmet festival in Hong Kong in the fall of 2009.

- 28 Aug The Government and the National Energy Administration signed the MOU on the continuous supply of nuclear electricity and natural gas to Hong Kong in the coming two decades. The MOU ensures a long-term and stable supply of clean energy to Hong Kong.
- Hong Kong was chosen for the publication of the Michelin guide, signifying Hong Kong's status as a capital for fine wine and good food. The guide was subsequently published in December 2008.
- 5 Sep The "2008 Guangdong-Hong Kong Technology Co-operation Funding Scheme" invited applications. Launched since 2004, the Scheme aims to enhance collaborations among research institutions and technology enterprises in Hong Kong and Guangdong.
- 7-11 Sep Hong Kong successfully staged the Beijing 2008 Paralympic Equestrian Events. The average attendance was close to 60% and the total attendance at the venue over the five days of the events was over thirty thousand people, which was a record for the Paralympic Equestrian Events.
- 10 Sep UK Foreign and Commonwealth Office presented to UK parliament the 23rd Six-monthly Report on Hong Kong covering the period January to June 2008. The Report stated that the "One Country, Two Systems" principle had generally worked well and that the rights and freedoms promised to Hong Kong in the Joint Declaration had continued to be respected.
- 15 Sep Lehman Brothers Holdings Inc. filed for bankruptcy protection in the United States (US).
- 16 Sep Hong Kong remained the freest economy in the world, according to the 2008 Annual Report on the Economic Freedom of the World jointly released by the Fraser Institute of Canada, CATO Institute of the US and 70 other research institutes around the world.
- 18 Sep Following the second meeting of the "Hong Kong-Shenzhen Joint Task Force on Boundary District Development", Hong Kong and Shenzhen Municipal Governments jointly announced the development of a new boundary control point at Liantang/Heung Yuen Wai to enhance cross-boundary transport infrastructures for long-term economic growth and further regional co-operation.
- 22 Sep The HKMA convened a meeting between representatives of investors who had purchased investment products related to Lehman Brothers, representatives of banks that had sold Lehman-Brothers-related products and the trustees who were holding the collateral for the investments. The aim of the meeting was to facilitate communication between the affected investors, the banks, the trustees and the HKMA.

- 23 Sep The CE in Council approved the Development Plan (DP) submitted by CLP Power Hong Kong Limited and Castle Peak Power Company Limited (CLP) for the period from October 2008 to December 2013 under the new SCA which covers, inter-alia, CLP's capital projects in the DP period and tariff adjustments effective from October 2008. In accordance with this approved DP, CLP reduced its average Basic Tariff and Net Tariff by 10.0% and 3.0% respectively on 1 October 2008.
- 24 Sep The FS asked the HKMA and the SFC to separately submit a report to him by the end of 2008 on the observations, lessons learned and issues identified during the process of investigating the complaints concerning the Lehman Brothers Minibonds, based on which the Government will further improve the regulatory framework and enhance investor protection.
- 25 Sep Hong Kong retained its position as Asia's second largest destination for foreign direct investment (FDI), according to the "World Investment Report 2008", released by the United Nations Conference on Trade and Development. FDI flows to Hong Kong in 2007 reached US\$59.9 billion. On a global scale, Hong Kong ranked the seventh in FDI inflows in 2007.
- Hong Kong entered into a co-operation arrangement with Guangdong, Shenzhen and Macau maritime authorities for adopting the "Regional Marine Oil Spill Response Plan for Pearl River Estuary" as the action guideline for regional co-operation on response to major maritime oil spills from ships.
- 26 Sep The Business Software Alliance (BSA) presented to the Government the "Government Best Practices: Asia Pacific" award, as a token of appreciation for its achievements in combating software piracy and in protecting intellectual property rights in general. The Government collaborated with BSA and other stakeholders to launch a Genuine Business Software Campaign from September 2006 to July 2008. Through the campaign, consultancy services were provided to help small and medium enterprises (SMEs) to develop best practices in managing software asset.
- HSBC announced to raise the interest rate for new mortgages by 50 basis points on 26 September, and other banks also increased their mortgage rates shortly after. The major local banks adjusted their mortgage interest rate upward again in November/December.
- 30 Sep The HKMA announced five temporary measures for providing liquidity assistance to licensed banks in Hong Kong. With effect from 2 October 2008 for a period of six months until the end of March 2009, the HKMA would provide liquidity assistance, on request from licensed banks through these measures.
- The Government announced its decision to finance the development of the new cruise terminal at Kai Tak by taking up the construction of the project, and leasing the facilities to a cruise terminal operator. The first berth would commence operation in mid-2013, and the cruise terminal building would be completed in 2014-15.

- 1 Oct The World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT) became applicable to the HKSAR. The treaties would cover the latest international standards for protection of copyright and related rights in the light of new developments in digital technology.
- 6 Oct The HKMA announced that it had opened investigations into complaints of alleged mis-selling of investment products related to Lehman Brothers.
- The 2008 Annual Survey of Companies in Hong Kong Representing Parent Companies Located outside Hong Kong conducted by Census and Statistics Department showed that Hong Kong remained a magnet for international companies to oversee their regional operations. The total number of regional headquarters and offices in Hong Kong reached all-time high, at 3 882.
- 8 Oct HKIA and Shenzhen International Airport (SZIA) jointly launched the Hong Kong-Shenzhen Airport Links, enabling passengers at HKIA or SZIA to check in and obtain boarding passes for connecting flights at either airport.
- The World Economic Forum released its Global Competitiveness Report 2008-2009. Hong Kong ranked the 11th, improved by one place over the last year.
- 9 Oct The HKMA adjusted the methodology for the determination of base rate by reducing the spread of 150 basis points above the prevailing US Federal Funds Target Rate to 50 basis points in Hong Kong. The Base Rate was adjusted downward to 2% according to this new pre-set formula.
- HKIA was voted the “Best Airport” for six consecutive years in the TTG Travel Awards.
- 10 Oct The standardized definition of “saleable area” became a requirement under the Lands Department’s Consent Scheme. Developers had to adopt the standardized definition for all uncompleted first-hand residential properties which were approved for pre-sale under the Consent Scheme.
- 13-17 Oct With sponsorship from OGCIO, HKTDC led a delegation to the International Film and Programme Market for TV, Video, Cable and Satellite 2008 in Cannes, France, and organised the Hong Kong Pavilion there to promote the digital entertainment products and services of Hong Kong.
- 14 Oct The FS announced two new precautionary measures to further strengthen confidence in Hong Kong's banking system, namely: the use of the Exchange Fund to guarantee the repayment of all customer deposits held with all Authorized Institutions in Hong Kong following the principles of the existing Deposit Protection Scheme; and the establishment of a Contingent Bank Capital Facility for the purpose of making available additional capital to locally incorporated licensed banks, should this become necessary. Both measures took immediate effect and would remain in force until the end of 2010, when a decision would be taken in the light of international financial conditions on whether they should be extended.

- 15 Oct The CE delivered his 2008-09 Policy Address. One of the major focuses is to help the Hong Kong economy overcome the financial crisis and turn it into new opportunities. The CE announced that he would establish and chair a task force to assess the impact of the financial tsunami on the economy and propose specific options to address the challenges.
- The Office of the Commissioner of Insurance, Hong Kong and the Federal Financial Supervisory Authority of Germany concluded a MOU to strengthen supervisory cooperation and exchange of information between the two regulators.
- 17 Oct The HKMA appointed PricewaterhouseCoopers as an independent adviser to review the process and strategy adopted by the distributing banks in implementing the buy-back proposal for the Lehman Minibonds.
- The HKMA referred to the SFC the first batch of 24 cases involving complaints of alleged misconduct in respect of Lehman-related products for further action.
- 18 Oct The Government announced the enhancement of the SME Funding Schemes by allowing greater flexibility in the loan amount under the SME Loan Guarantee Scheme (SGS), and by extending the guarantee period for the Working Capital Loan. The grant ceiling of the Export Marketing Fund (EMF) would be raised and the scope of reimbursable items extended, with a view to enabling SMEs to develop more new markets and engage in more export promotion activities. The enhanced measures to EMF and SGS were implemented on 3 and 6 November respectively.
- 20 Oct A formal agreement was signed to confirm the HKSAR's participation in the Urban Best Practices Area (UBPA) Exhibition of the Shanghai Expo to be held in 2010. HKSAR's exhibition, titled "Smart Card, Smart City, Smart Life", aims at showcasing the city's innovative and extensive application of smart card technology to improve our citizens' city life.
- The HKMA announced the additional offer of 3-month Exchange Fund Bills in two tenders, HK\$2,000 million each, on 28 October and 4 November 2008. The issuance of additional Exchange Fund paper helped meet the increased demand for the paper by banks for liquidity management purpose, it could also improve banks' access to the Discount Window and other liquidity facilities recently introduced by the HKMA.
- The total gross tonnage registered under the Hong Kong Shipping Register crossed the 39 million mark, up notably from 36 million at end-2007.
- HKEx relaunched the gold futures contract in its derivatives market, further expanding the product range.
- 23 Oct The SCED convened an SME Summit, at which participants gave comments and suggestions on ways to support SMEs amid the global financial turmoil.
- 24 Oct The HKMA and Bank Indonesia jointly announced the signing of a MOU for the establishment of a large-value payment system link between Indonesia and Hong Kong.

- 24-27 Oct The SCED led a business delegation to Chengdu, Sichuan to participate in the Ninth Western China International Economy and Trade Fair, and to visit various local business establishments to explore opportunities for industrial relocation and business co-operation.
- 27-29 Oct The 11th Pan-PRD Regional Co-operation IT Department Directors Joint Conference was held in Chongqing.
- 28 Oct The CE announced appointments to the Task Force on Economic Challenges (TFEC). TFEC would assess the impact of the global financial tsunami on the local economy, propose options to address the challenges, identify new business opportunities and enhance the competitiveness of Hong Kong.
- 28 Oct A MOU on co-operation in Wine-related Businesses was signed with Spain, covering promotion of trade in wine and related food items, wine-related tourism, investment, education and counterfeits.
- 29 Oct The largest joint investment promotion event in the year, “Hong Kong – Guangdong Business Conference in Madrid 2008” was held by Hong Kong and Guangdong governments to promote business opportunities in the Greater PRD, Hong Kong and Guangdong for companies in Spain. The SCED and the Governor of the People’s Government of Guangdong Province led high-level delegations to join this event.
- 30 Oct The HKMA announced that the Base Rate was adjusted downward by 50 basis points to 1.5%.
- 31 Oct The HKMA announced that it had made available mediation and arbitration services for helping resolve questions of compensation between investors in Lehman-Brothers-related products and distributing banks. The service was provided by the Hong Kong International Arbitration Centre. The HKMA would co-ordinate referrals and pay the share of the fee for these services on behalf of eligible investors.
- The Government and the Government of Japan jointly announced that the year 2009 would be designated the “Hong Kong-Japan Tourism Exchange Year”, creating a platform for the two places to promote tourism and enhance cultural exchanges.
- 1 Nov MoF and SAT adjusted the export tax rebate rates of some 3 000 commodities. The export tax rebate rates of textile products, garments and toys were raised to 14%, some plastic products to 9%, certain furniture to 11% and 13%.
- 1-4 Nov The Broadcasting Authority and the Office of the Telecommunications Authority co-hosted the 39th Annual Conference of the International Institute of Communications and the International Regulators Forum for the first time in Hong Kong. The forum and the conference provided an invaluable opportunity for regulators and industry players from 33 territories and jurisdictions to exchange views on key issues of the communications industry.

- 3 Nov The CE chaired the first meeting of the TEFC. The Task Force agreed to focus on the competitiveness and opportunities for the financial services, trade and logistics, tourism and consumption-related services, and real estate and construction sectors. Supporting Small and Medium Enterprises, preserving the confidence of Hong Kong people in the economy and promoting employment would top TFEC's priorities.
- 5 Nov Premier Wen Jiabao confirmed at the General Meeting of the State Council ten measures to expand domestic consumption and achieve steady and relatively fast economic growth. An amount of four trillion RMB was estimated to be invested by end 2010. Following this announcement, the Mainland rolled out a series of implementation measures including raising the export tax rebate rates, eliminating/suspending administrative fees and supporting SME financing. Hong Kong enterprises with operations in the Mainland would also benefit from these measures.
- 6 Nov The HKMA announced two refinements to the fifth of the five measures introduced on 30 September for providing liquidity assistance to licensed banks in Hong Kong. The refinements, which would remain in force until the end of March 2009, were aimed at further easing term funding pressures faced by licensed banks in Hong Kong and at providing assurances to the market about the availability of liquidity in anticipation of banks' greater demand for funding towards the year end.
- 10-14 Nov GCIO led a delegation from the ICT industry to visit Melbourne, Adelaide and Sydney in Australia. The visit aimed to foster ICT co-operation with Australia and raise Hong Kong's profile in the ICT area.
- 11 Nov In its Preliminary Conclusions, IMF Article IV Staff Mission welcomed the Government's various measures to safeguard the stability of the financial system and maintained its long-standing support for the Linked Exchange Rate system.
- 13 Nov The HKTB launched a dedicated office "Meetings and Exhibitions Hong Kong" to provide one-stop support for organisers of MICE events, step up global promotion, and enrich the travel experience of MICE participants in Hong Kong.

The Environmental Protection Department and the Shenzhen Environmental Protection Bureau signed a 'Co-operation Agreement on Cleaner Production between Hong Kong and Shenzhen' to strengthen co-operation efforts in promoting cleaner production. The two sides would jointly organize awareness promotion activities, experience sharing and demonstration projects, and would consider introducing further incentive measures.

Based on the principle of “co-study and co-development”, the Development Bureau and Shenzhen Municipal Government signed a co-operation agreement at the Hong Kong-Shenzhen Co-operation Meeting on commissioning a joint comprehensive planning and engineering study to explore the feasibility of developing the Lok Ma Chau Loop and the type of land uses that are of mutual benefits to the two cities. Both sides initially considered that higher education would be developed as the leading land use in the Loop with some elements of high-tech Research & Design facilities and creative industries. The idea would provide impetus for human resources development in the South China region and enhance the competitiveness of the Pearl River Delta, as well as benefit the long-term economic development of the two cities.

14 Nov The Government published the Third Quarter Economic Report 2008. The report pointed out that the Hong Kong economy slowed notably further, with GDP growing by 1.7% in real terms in the third quarter over a year earlier. Externally, exports moderated, as the impact of the global economic downturn increasingly set in. Locally, consumer spending also faltered amid the global financial tsunami and the plunge in local stock market, while investment expenditure still registered a modest growth.

In the November update of the economic forecast for 2008, the forecast growth rate of GDP in real terms was revised downward to 3% to 3.5%. Meanwhile, the forecast rates of increase in the headline and underlying Composite CPI were kept at 4.2% and 5.5% respectively.

15 Nov The FS and the Chief Executive of the HKMA attended the G20 Summit on Financial Markets and the World Economy held in Washington DC as members of the Chinese delegation. The Summit agreed on enhancing international cooperation on dealing with the financial crisis, strengthening economic growth, as well as principles for reform of financial systems to help to avoid similar crises in the future.

18-20 Nov The CE visited the United Kingdom to update the political and business leaders on the latest developments in Hong Kong and strengthen bilateral links.

19 Nov The Pacific Economic Co-operation Council published its State of the Region Report 2008-2009. The Composite Index of Economic Integration in the Asia Pacific of the Report recognised Hong Kong as the economy most highly integrated with the Asia Pacific region.

20 Nov A Co-operation Arrangement on Trade and Investment Facilitation was signed with the Government of the Republic of Peru.

An agreement was reached with the Government of the Republic of Chile to set up a Joint Feasibility Study Group to examine the proposal of entering into a bilateral free trade agreement between the two economies.

PCCW-HKT Telephone Limited launched the CDMA 2000 mobile services, the fifth 3G mobile network in Hong Kong, in addition to the four W-CDMA networks licensed in 2001. This would strengthen Hong Kong's strategic position as a world city as well as the gateway between the mainland China and the world.

- 21 Nov The HKMA announced a temporary measure for adopting a flexible approach towards the “premium” on capital adequacy ratio of individual banks to allow them more room to conduct lending business.
- The HKMA announced and implemented the arrangement with the People’s Bank of China for the provision of liquidity to Hong Kong banks operating on the Mainland. This would help Hong Kong corporations operating on the Mainland continue to obtain financing from Hong Kong banks on the Mainland.
- The Mainland announced that with effect from 1 December 2008, the requirement for actual payment of standing book deposit for over 2 000 tariff code items would be suspended for processing trade enterprises of categories A and B.
- 22-23 Nov The CE attended the 16th APEC Economic Leaders’ Meeting in Lima, Peru.
- 24 Nov The HKMA announced the offer of an additional Exchange Fund Bills, totalling HK\$8,000 million, in a tender on 2 December to meet increased demand for the paper from banks.
- 27 Nov At its ninth meeting, the HZMB AWCG endorsed the feasibility study of the project. The report was submitted by the Guangdong Province for the consideration of the Central Government on 31 December. As agreed by the three governments, the AWCG project office on the Mainland started inviting tenders on 1 December for the preliminary design and site investigation for the Main Bridge.
- 28 Nov The scheme of the Hong Kong Section of the Guangzhou – Shenzhen –Hong Kong Express Rail Link was gazetted under the Railways Ordinance (Cap. 519).
- 1 Dec The One Stop Centre for Warehouse Construction Permits (OSC) set up under the Efficiency Unit commenced operation, as one of the ongoing initiatives under the “Be the Smart Regulator” programme to enhance the business environment and competitiveness of Hong Kong. As a pilot scheme, the OSC would initially handle applications for two-storey warehouses. A review of the scope and effectiveness of the OSC would be subsequently conducted.
- MoF and SAT raised the export tax rebate rates of 3 770 labour-intensive products and other commodities.
- A Receipt and Despatch Centre operated by the Business Registration Office of the Inland Revenue Department was set up at the CR’s premises to provide one-stop service for company incorporation and business registration, enabling a company to submit an application for business registration immediately after obtaining a Certificate of Incorporation from the CR.
- 2 Dec The CE in Council approved the non-in-situ land exchange for the preservation of King Yin Lei at 45 Stubbs Road, Hong Kong, which was the first case of application of the new heritage conservation policy on economic incentives to facilitate conservation of privately-owned historic buildings.

- 3 Dec The Hong Kong Film Development Council launched a large-scale project “Hong Kong Film: New Action” to promote the long-term development of Hong Kong film industry. The project would help develop the markets for Hong Kong films in the Mainland and Southeast Asia (including Taiwan, Singapore and Malaysia) and to introduce to these markets the new generation of Hong Kong film directors.
- 8 Dec The second meeting of the TFEC was held. The CE announced that the Government would expand the Special Loan Guarantee Scheme. The total Government commitment for the scheme was substantially increased to \$100 billion. The Government would also make available over 60 000 employment opportunities in 2009 through expediting infrastructure projects, advancing recruitment of civil servants and creating temporary or other positions..
- The Central Economic Work Conference was convened from 8 to 10 December 2008. The Conference set out major economic tasks of the Mainland in 2009. These include strengthening and improving macro-control policies, adopting proactive fiscal policies and appropriately relaxed monetary policies; reinforcing the development of the rural economy, ensuring the efficient supply of agricultural products and sustainable income growth of the rural people; expediting the change of direction for economic development and spearheading strategic adjustments to economic structure; deepening reform and liberalization, improving the institutional set up and mechanism for scientific development; and safeguarding social stability.
- 9 Dec IMF released its Staff Report on Hong Kong for 2008 commending the Government’s measures to contain the contagious risks from the global financial turmoil, and attributed the resilience to the Government’s efforts over the past several years to the establishment of a more robust system of financial supervision and regulation and a sophisticated financial infrastructure. IMF reiterated its support for the Linked Exchange Rate system, and continued to find the real value of the Hong Kong dollar to be broadly in line with economic fundamentals.
- 9-12 Dec The OGCIO sponsored the hosting of Asian-Oceanian Computing Industry Organisation (ASOCIO) ICT Summit 2008 in Hong Kong. Over 400 government and industry delegates from 17 economies in the Asian-Oceania region participated.
- 10-17 Dec The FS led a business delegation to visit Nanning of Guangxi and Hanoi of Vietnam to enhance Hong Kong’s understanding of the economic situation and business environment of the two places.
- 11 Dec The HKMC announced an enhancement of the Mortgage Insurance Programme (MIP) by lowering the threshold above which insurance would be made available from the current 70% loan-to-value ratio (LTV) to 60% (up to a total LTV ratio of 90% for this product); refinement of the eligibility criteria for 95% LTV mortgages under the MIP; and an increase, from HK\$10 billion to HK\$30 billion, in the size of the Revolving Credit Facility offered by the Exchange Fund.

The second annual structured dialogue meeting between the European Commission and the Government was held in Brussels, Belgium. The two sides had extensive exchange on such issues as trade, competition policy, customs co-operation, environmental protection, aviation, food and product safety, education exchange and public health, and agreed to continue to strengthen co-operation in these areas.

A new Dong Jiang water supply agreement which would ensure a reliable water supply up to 2011 to support a wide range of economic activities of Hong Kong was signed.

12 Dec The LegCo FC approved an additional funding commitments of \$25.2 million for the Cyberport Digital Entertainment Incubation- cum-Training Programme (Phase 2).

13 Dec State Council's dossier on "Certain Views on the Current Financial Situation for Economic Development" dated 8 December was released. It set out a total of 30 measures to strengthen support for the financial market and encourage economic development at a steady yet faster pace. Among these measures, Measure No. 13 allowed Hong Kong companies or financial institutions with relatively substantial business in the Mainland to issue RMB bonds in Hong Kong. Measure No. 22 supported the development of the RMB business in Hong Kong and expansion of the scope of RMB currency swap for trading activities in the region so as to lower foreign exchange risk.

16 Dec The Government and the Government of the Socialist Republic of Vietnam signed an agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

The CE in Council approved the DP submitted by the Hongkong Electric Company Limited (HEC) for the period from January 2009 to December 2013 under the new SCA, which covers, inter-alia, HEC's capital projects in the DP period and the tariff adjustments effective from January 2009. In accordance with the approved DP, HEC reduced its average Basic Tariff and Net Tariff by 19.2% and 5.9% respectively on 1 January 2009.

17 Dec The HKMA announced that the Base Rate was adjusted downward to 0.5%.

18 Dec The Hong Kong-Guangdong Joint Working Group on Sustainable Development and Environmental Protection held its ninth annual meeting in Hong Kong. The meeting reviewed progress of environmental co-operation initiatives and noted that good progress had been made on various areas. For 2009, both sides would deepen co-operation to actively transform the PRD region into a Green and Quality Living Area.

19 Dec The Central Government announced two measures to facilitate Mainland residents to visit Hong Kong: non-Guangdong residents living in Shenzhen could apply for Individual Visit Scheme (IVS) endorsements in Shenzhen to visit Hong Kong; and eligible Shenzhen permanent residents could apply for an IVS endorsement which allows multiple entry into Hong Kong within one year.

- 22 Dec The CEDB announced the implementation framework for the development of mobile television services in Hong Kong. The framework aims to create an enabling environment that promotes innovation, investment and competition of local mobile TV services for the benefit of consumers.
- 29 Dec The MoF and the SAT announced that with effect from 1 January 2009, the export tax rebate rates would be increased for 553 mechanical and electrical products which were of high technological and value-added content.
- 30 Dec The Government enhanced competition in the provision of the Government Electronic Trading Services (GETS) by appointing a total of three service providers for the contract period from 2010 to 2016. Through GETS, the trading community can submit six commonly used trade documents to the Government electronically.
- 31 Dec MoC and General Administration of Customs promulgated the respective removal of 1 730 and 27 10-digit tariff code items from the Catalogue of Restricted Products and the Catalogue of Prohibited Products for Processing Trade, which took effect from 1 February 2009.

The Hong Kong stock market had been volatile in 2008. The total market capitalization at end-2008 was \$10.3 trillion, down 50% from end-2007.