

## Hong Kong at a Glance – the City’s Latest Developments

### Overview

- ‘One Country, Two Systems’ has been successfully implemented in Hong Kong since Reunification in 1997.
- Fundamental strengths and core values remain intact - recognised in reports by the Governments of the United Kingdom and United States, as well as the European Commission.
- Stronger ties with Mainland have boosted economic development and business opportunities in both economies. Hong Kong Special Administrative Region Government (HKSARG) offices opened in Beijing, Guangzhou, Shanghai and Chengdu.
- Much closer links with Mainland in many other areas including law enforcement, health and food safety, infrastructure planning, environmental protection, cultural and arts exchanges etc.
- Unwavering support of Central Authorities for Hong Kong’s development as Asia’s world city and China’s pre-eminent international financial centre.
- HKSARG continues to play a full and active role in international fora such as Asia Pacific Economic Co-operation (APEC), World Trade Organization (WTO) and World Customs Organization.
- HKSARG continues to negotiate bilateral agreements with foreign governments in many areas including air services, trade, visa abolition, investment promotion and protection, customs co-operation and others.

### Fundamental strengths remain unchanged

- Rule of law upheld by an independent judiciary.
- Clean, efficient civil service.
- Civil rights and freedoms protected by law.
- Level playing field for business – local and international companies compete on equal footing.
- A free press and unfettered flow of news and information.
- Free flow of capital, with stable and freely-convertible currency.
- Regional hub for finance, trade, commerce, logistics and tourism.
- Hong Kong has one of the most effective anti-corruption agencies in the world – the Independent Commission Against Corruption.
- One of the world's safest cities – law-abiding community that respects rule of law and the police.
- Multi-cultural, tolerant, pluralistic, well-educated and hard-working society.

### Infrastructure and tourism

- Hong Kong International Airport opened in July 1998 voted world’s best airport for sixth time in seven years by Skytrax in August 2007. Second passenger terminal officially opened by the Chief Executive in June 2007.

- World's busiest international air cargo hub for the past decades. Handled 3.74 million tones of air cargo in 2007. Throughput more than doubled since 1997.
- Major projects to improve flow of people and goods between HK and Mainland: HK-Shenzhen Western Corridor opened in July 2007; second passenger rail crossing at Lok Ma Chau opened mid-August 2007; Guangzhou-Shenzhen-HK Express Rail Link and HK-Zhuhai-Macao Bridge under planning.
- New tourism infrastructure has boosted Hong Kong's appeal: Hong Kong Disneyland, AsiaWorld-Expo Conference Centre were opened in 2005 and the HK Wetland Park Ngong Ping 360 cable car system in 2006. The 30-year old Ocean Park being redeveloped with extra attractions in phases from 2007-2013.
- A cruise terminal will be built in South East Kowloon on the former runway of the old airport at Kai Tak.
- Voted the best MICE (meeting, incentive, convention, exhibition) City Award in 2008 Industry Awards organised by *CEI Asia Pacific Magazine*, Hong Kong has the facilities and infrastructure required to hold world-class events and business meetings, the talents to organise them, as well as an exemplary track record in staging them. The Government has allocated \$150 million to step up MICE promotion work in the next five years.
- The Government plans to invest about \$21.6 billion to create a world-class integrated arts and cultural hub on a prime harbour-side site in West Kowloon.
- Beijing 2008 Olympic Games – Hong Kong is a co-host city and will stage the Olympic and Paralympic Equestrian Events in August and September, respectively, this year.
- We are also waiving the hotel accommodation tax later this year to further promote tourism and prolong visitors' stay.

### **Economic performance**

- Real GDP grew 6.3 per cent in 2007. Forecast growth of 4% to 5% GDP growth in 2008.
- Vibrant economic expansion for four consecutive years since 2004 at 7.2% per annum.
- More than five years of deflation ended in mid-2004. Inflation goes up amidst strong economic upturn, with 2008 forecast of 3.4%.
- Buoyant stock market activity: In 2007 the stock market was the 3<sup>rd</sup> largest in Asia and 7<sup>th</sup> largest in the world with market capitalisation of over US\$2.6 trillion as at end-December 2007.