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Hong Kong “world’s most globalized economy”

Hong Kong is leading the world in the trend towards globalization, particularly in the exchange of goods, capital and labour, according to the 2010 Globalization Index published by Ernst & Young in association with the Economist Intelligence Unit.

The survey’s findings show that Hong Kong embraced the highest level of globalization among 60 of the world’s largest economies in 2010. Hong Kong was followed in the top ten by Ireland, Singapore, Denmark, Switzerland, Belgium, Sweden, The Netherlands, Hungary and Finland.

“Hong Kong is playing a very significant role in the world,” said Agnes Chan, Ernst & Young’s Regional Managing Partner, Hong Kong and Macao. “China now is the second-largest economy in the world. Investors regard Hong Kong as the gateway to

enter and invest in Mainland China, while Chinese enterprises view Hong Kong as a springboard to expand into the international market.” Hong Kong’s rule of law, transparency and availability of talent make it an especially attractive base.

The Globalization Index tracks and measures economic performance based on 20 indicators in five broad categories: openness to trade; capital movements; exchange of technology and ideas; movement of labour; and cultural integration. The Index measures relative rather than absolute globalisation, meaning that the five categories are measured relative to the economy’s GDP.

The 2010 index is based on a survey of 1,050 global senior business executives and in-depth interviews with 20 senior executives and high-level experts.

www.ey.com/GL/en/Issues/Business-environment/Winning-in-a-polycentric-world-globalization-and-the-changing-world-of-business-The-Globalization-Index-2010-summary

A record 284 companies invest in HK

InvestHK, the HKSAR Government’s investment promotion agency, helped 284 overseas and Mainland China companies to set up or expand in Hong Kong in 2010. Around 33% of these companies were from Europe.

The Mainland continued to be the largest single source of investment into Hong Kong, followed by the United States, the United Kingdom, Japan and Australia. The United Kingdom was the biggest EU investor, followed by Germany and France.

InvestHK’s Director-General, Simon Galpin, said on 19 January that 80% of the companies were new to Hong Kong and 20% were going through a significant expansion. Together they created 3,056 jobs in their first year of operation or expansion.

In nearly 30% of cases, companies said that CEPA, Hong Kong's free trade agreement with China, was a factor when deciding to invest in the city. Foreign companies established in Hong Kong can benefit from CEPA, which covers trade in goods and services and trade and investment facilitation, in the same way as Hong Kong companies.

Mr Galpin said the results were very encouraging and demonstrated a strong vote of confidence in Hong Kong as a business location.

The top three areas for investment were the transport and industrial sector, tourism and hospitality (including the wine sector), and innovation and technology.

Mr Galpin noted that since the government removed wine duty in 2008, there has been a sharp increase in wine importers setting up in Hong Kong, and in companies that service the industry such as wine training and wine storage businesses.

This trend was set to continue.

Last year also marked greater emphasis on green foreign direct investment, in particular on companies that provide renewable energy and environmental protection solutions.

<http://www.investhk.gov.hk>

International Film Festival Rotterdam showcases Hong Kong films

The Hong Kong Economic and Trade Office, Brussels (HKETO, Brussels) hosted a reception at the International Film Festival Rotterdam (IFFR) on 27 January in support of a programme of Hong Kong films presented at the Festival. Fifteen Hong Kong films are among the 18 movies selected for the *Water Tiger Inn* programme, which traces the development of the wu xia genre in films from the early days to the present.

Special Representative for Hong Kong Economic and Trade

Affairs to the European Union, Miss Mary Chow, congratulated the IFFR on the occasion of its 40th anniversary. She noted that having always placed strong emphasis on films from the Far East in its programming, the Festival had done much to bring Hong Kong films to Dutch and international audiences over the years.

Miss Chow said that for a long time, Hong Kong was best known for popular comedies and martial arts films. While these films retained a very enthusiastic and loyal following, in recent years Hong Kong filmmakers had ventured into other themes with more intricate plots and more complex characterisation.

“Our film industry has built a reputation for creativity, innovation and diversity. This has a lot to do with the benefits of free speech and expression, guaranteed to Hong Kong under the Basic Law, our constitutional document,” Miss Chow said.

Details at www.hongkong-eu.org

Hong Kong Film Panorama in Madrid

Madrid audiences will get a chance to see some of Hong Kong's latest films with the opening of the Hong Kong Film Panorama in the Spanish capital on 2 February.

This is the fourth time that the Hong Kong Economic and Trade Office, Brussels is cooperating with its Spanish co-organiser, Casa Asia, to bring the Hong Kong Film Panorama to Madrid.

With Casa Asia's assistance, the films will also be screened in Barcelona at the end of February.

Twelve Hong Kong productions will be screened at the Spanish Film Institute between 2 and 24 February: Ann Hui's *Night and Fog*, Kit Hung's *Soundless Windchime*, Wai Ka-fai's *Written By*, Clarence Fok's *Iceman Cometh*, Danny and Oxide Pang's *The Storm Warriors*, Herman Yau's *Rebellion*, Brian Tse and Alice Mak's

McDull Kungfu Ding Ding Dong, Felix Chong and Alan Mak's *Overheard*, Benny Chan's *Invisible Target*, Johnnie To's *Running out of Time*, Kirk Wong's *Crime Story* and Johnnie Mak's *The Long Arm of the Law*.

The 2010-2011 edition of the Hong Kong Film Panorama has so far been held in Dublin, Antwerp, Lisbon and Amsterdam. After Madrid and Barcelona it will continue its European tour in Florence and Athens in April.