HKSAR

LME-approved warehouses to boost trading

Financial chief hails SAR's logistics strengths for intl commodities' growth

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London Metal Exchange-approved metal delivery facilities in Hong Kong have seen strong demand since becoming operational, with officials and industry insiders optimistic about the city's prospects as a growing commodity trading center.

The special administrative region joined the LME's global warehousing network in January. At the unveiling ceremony of two LME-approved warehouses in Cheung Sha Wan on Tuesday, Hong Kong Financial Secretary Paul Chan Mo-po said the city's participation is a significant step as it builds a commodity trading ecosystem and cements its position as an international financial and shipping hub.

Chan said that the SAR, as a southern gateway to China — one of the world's largest markets for metal consumption and exports — boasts a world-class, efficient, and accessible logistics system.

Establishing a delivery point in the city will undoubtedly reduce logistics time and costs compared to relying on overseas warehouses, thereby improving allocation efficiency, he added.

The two warehouses, operated by China Resources Logistics and GKE Metal Logistics, are part of the eight LME-approved storage facilities currently operating in the city.

Mainland-based Jiangxi Copper (Shenzhen) International Investment Holding is among the facilities' major users. Company Chairman Deng Li said LME-approved warehouses in Hong Kong have provided significant convenience to the company, and it will make frequent use of these facilities as the company expands its business.

Although current costs are relatively high because of limited space, Deng said he expects them to decline in the future as throughput increases.

China Resources Logistics said it plans to extend the metal storage area by 30,000 square feet (2,787 square meters), as robust demand has kept its facilities operating at full capacity since just one week after opening. The extension is expected to be completed in about a year, according to the group.

During the ceremony, Chan also highlighted Hong Kong's free-port status, saying that the storage facilities in the city can serve as a "stabilizer", ensuring regional supplies of nonferrous metals and strengthening supply chain resilience amid geopolitical challenges and trading barriers.

In addition, Chan pointed out that joining the LME network will put the SAR in a better place to advance the use of renminbi in commodity pricing and settlement, further enhancing the currency's international influence.

Carlson Tong Ka-shing, chairman of Hong Kong Exchanges and Clearing, said the presence of delivery warehouses in the city can not only reduce the delivery costs for mainland metal users, but also attract more enterprises to develop Hong Kong's commodity industry.

He said the SAR has both the responsibility and advantages of linking China to the LME, the world's most active metals trading marketplace, adding that about 30 percent of transactions on the European exchange involve China.

Since the eight LME-approved warehouses began operations in mid-July, more than 8,000 metric tons of registered brands of metal have been stored in the facilities, Tong said.

Wonder Kid comeback

Hong Kong boxer Rex Tso Sing-yu (left), dubbed the "Wonder Kid", sharpens his skills during a public training session at RCT Boxing in Quarry Bay on Tuesday. After retiring from professional boxing in 2018 with an impressive record of 22 consecutive wins, the 38-year-old is making a comeback following an eight-year hiatus. Tso's highly anticipated return will see him face former world title challenger Vergilio Silvano on Sunday in Manila, the Philippines. ANDY CHONG / CHINA DAILY

BUSINESS INSIGHTS

BA CCO: HK, mainland are of great importance

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The Hong Kong-London route is one of the most searched city pairs on British Airways' (BA) website, said the airline's Chief Customer Officer Calum Laming.

Such growing interest dovetails with the solid air traffic growth of Hong Kong International Airport (HKIA), where passenger volume grew 16.5 percent year-on-year in the first half of 2025.

"This region remains of paramount importance to us," Laming told China Daily in an interview aboard the airline's newest Airbus A350 at HKIA. The carrier is also seeing renewed interest on the Chinese mainland, and expects to welcome "different types of customers that they wouldn't have seen on board before" with the backing of a visa-free transit policy, which facilitates easier travel to the world's second-largest economy.

China, in recent years, introduced unilateral visa-free entry and mutual visa exemption agreements with 75 countries as part of its efforts to promote international exchanges. As a result, foreign visitor entries and exits in the first six months of 2025 were up 30.2 percent year-on-year.

During the same period, about 71.2 percent of inbound foreigners traveled visa-free, representing a year-on-year growth of 53.9 percent, according to the National Immigration Administration.

Currently, United Kingdom passport holders are included in China's 240-hour transit visa-free policy but have not yet been added to the growing list eligible for China's 30-day visa-free program. The airline would like to see the UK join this program to turbocharge demand, Laming said.

The global aviation industry is now grappling with airspace closures, longer flight times, and increased costs under the shadow of geopolitical tensions. Laming said BA is well on pace to re-establish its presence in Asian markets with new aircraft and enhanced services, as part of its 7 billion pound ($9.5 billion) transformation plan announced last year, the largest in its history.

The carrier resumed services from London to Bangkok at the end of 2024 and reintroduced flights to Kuala Lumpur, Malaysia, in April. It currently operates one direct flight daily between London and Hong Kong, and one to Shanghai.

Laming highlighted Hong Kong's strategic position as a transit hub from which BA can nurture ties with its partner airlines.

Cathay Pacific, Hong Kong's flag carrier, now operates 12 destinations on codeshare with BA for the first time ever, including the Philippines' capital, Manila, he said. The partnership also helps BA connect to destinations in New Zealand and Australia, including Auckland, Melbourne and Brisbane. Both carriers are founding members of the Oneworld global airline alliance.

The London-headquartered airline is also capitalizing on the ability of its partner China Southern Airlines to overfly airspace that BA cannot access directly. Although BA paused its direct flights between London and Beijing in October, Laming stresses it keeps a close eye on global events and will revisit the route once conditions stabilize.

"Aviation is an industry that is constantly challenged as we operate on a global basis. We are used to facing challenges, and we will continue to face challenges every single day and respond," Laming says. "We remain committed to this market."

Calum Laming, British Airways' chief customer officer, displays a meal from the airline's new menu aboard its latest Airbus A350 at Hong Kong International Airport on Monday. NICK YANG / CHINA DAILY

Local SMEs to maintain, raise investment in Q3

By **MIKE GU** in Hong Kong
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Over 92 percent of small and medium-sized enterprises in Hong Kong plan to maintain or increase their level of investment in the third quarter of 2025, according to the Standard Chartered Hong Kong SME Leading Business Index, released by the Hong Kong Productivity Council on Tuesday.

However, the overall business index of Hong Kong dipped from 43.8 for the second quarter to 40.5 this quarter, reflecting global economic uncertainty.

SMEs exhibited waning confidence in this quarter's sales figures. Subindices for business conditions declined 5 points to 36.6, and profit performance decreased 5 points to 34.1, indicating reduced confidence in quarterly turnover.

The global economy subindex fell for the third consecutive quarter, accumulating a 15.6-point drop since the fourth quarter of 2024. Key pressures include ineffective US economic stimulus measures suppressing consumption and high-tariff policies disrupting global trade flows, elevating operational costs for SMEs, according to the HKPC.

Despite the global challenges, Hong Kong's SMEs have demonstrated resilience. Of the 11 industries tracked by the HKPC, construction rose 2.6 points to 42.3, and accommodation and food services went up 1.7 points to 42.9, driven by major infrastructure projects like Kai Tak Sports Park. These developments attract international events and tourists, supporting tourism-led initiatives like themed tours that benefit the hospitality sector.

Notably, manufacturing investment intent surged 3.5 points to a seven-year high, with an increased R&D focus amid global trade friction. Professional and commercial services sectors also improved, with recruitment intent rising 2.9 points and profit outlook up 1.2 points, signaling sustained demand for high-value services.

According to the index, cost pressures eased marginally: Only 47 percent of SMEs in Hong Kong anticipate higher raw material costs, a five-quarter low, while salary increase expectations dipped 1 percentage point to 19 percent.

Investment remains robust, with 87 percent of SMEs surveyed planning to maintain their expenditure, and 5 percent intending to expand investments, primarily focusing on digital transformation, machinery, and staff development.

Kelvin Lau, senior economist of Standard Chartered's Greater China and North Asia research team, said that despite a challenging business environment, Hong Kong's GDP grew steadily by 3.1 percent year-on-year in the second quarter. Business confidence remains cautious yet stable, reflecting resilience amid adversity, he added.

Exports in the second half of the year are expected to moderate compared to the strong first half performance, when goods exports increased 12.5 percent year-on-year, Lau said. Hong Kong's SMEs have continued to adapt and strengthen their operational foundations, he added.

Karen Fung, chief marketing officer of the HKPC, said the index reveals that local SMEs are grappling with market competition and rising costs. Over 80 percent of Hong Kong businesses planning expansion are prioritizing the Chinese mainland or other Asian regions, yet they face pressing needs regarding local regulations and reliable partners, she added.

Karen Fung (left), chief marketing officer of the Hong Kong Productivity Council, and Kelvin Lau, senior economist for the Greater China and North Asia research team at Standard Chartered, present findings of the latest SME index during a Tuesday media briefing, showing resilient investment plans amid global uncertainties. PROVIDED TO CHINA DAILY

Consumer watchdog calls for revamp of Hong Kong's telehealth services

By **LU WANQING** in Hong Kong
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Hong Kong's telehealth services need to be overhauled to plug key loopholes, including an inconsistent regulatory framework, unclear provider liabilities, and ambiguous insurance coverage, the Consumer Council urged on Tuesday.

Telehealth, including remote medical consultations, prescriptions, and health monitoring, has grown increasingly popular in Hong Kong, particularly during and since the COVID-19 pandemic.

The consumer watchdog conducted an investigation into the sector from May to October last year, surveying 833 medical practitioners and 14 telehealth providers, reviewing the digital platforms of 19 telehealth service providers and polling 840 consumers.

It found that 48.5 percent of public healthcare institutions and 49.5 percent of the private sector providers in Hong Kong offered telehealth options.

The council said certain telehealth platforms, including those run by patients' organizations, private insurers and traders, lacked dedicated regulatory oversight, creating a significant governance gap that needs to be addressed immediately.

Council Chairman Clement Chan Kam-wing said Hong Kong requires unified standards across the entire telehealth ecosystem, including public and private hospitals of all medical disciplines, pharmacists, allied health professionals, and physiotherapists. He called for comprehensive reforms to ensure consistent quality of services.

Other systemic issues included regulatory inconsistencies, unclear liability boundaries, and widespread insurance reimbursement ambiguities. For example, four of the 19 service providers denied that their platforms were diagnostic or therapeutic tools despite issuing medical certificates and prescriptions.

In addition, eight traders used conditions of service to waive legal responsibility for potential harm to patients, or losses arising from consultations, while 10 providers failed to clarify insurance reimbursement arrangements.

Selwyn Yu Sing-cheung, a council member, said the city's lax certification regime poses critical consumer risks, such as ambiguous service information, limited service options, operational support gaps, as well as privacy and security vulnerabilities.

Among three traders who developed their own telehealth tools, only one has obtained privacy protection accreditation. For the 10 traders relying on third-party platforms like WhatsApp, Zoom or Teams, just four acquired related accreditation.

Yu noted that California in the United States bans livestreaming platforms like Facebook for telehealth use, and Hong Kong's comparatively loose provider certification makes it urgent to enforce uniform quality standards to ensure industry growth moves in the right direction.

Compared with major telehealth markets like the Chinese mainland, Australia, Canada, Singapore and the US, where standardized digital consent protocols are mandated, Hong Kong currently lacks such regulations.

According to Chan, consumers require transparent information upfront, including doctor specialties, consultation schedules, pricing details, and medicine delivery terms. Such transparency will facilitate "informed decisions" and proper service evaluation.

The council called for revised telehealth guidelines, legislation on responsibilities, an industry-vetted whitelist of certified providers, enhanced consumer transparency, and public education campaigns.

Experts have proposed cross-sector collaboration in compiling a whitelist of certified providers, involving the Hospital Authority, data security regulators and industry representatives. They hope this would include mandatory disclosures of provider certifications, approved communication tools, technical support contacts, and clear customer service and complaint channels.

Between January 2020 and June this year, the council received seven telehealth-related complaints, half of which involved undelivered services or withheld refunds.

In one case, a patient was charged an additional HK$550 ($70.52) after having paid HK$400. The clinic later explained that the HK$400 was only a booking fee and did not cover the consultation or medication. Chan described such practices as "potentially deceptive".

"We expect a substantial expansion of telehealth services in the near future," he said, citing the growing integration of the Guangdong-Hong Kong-Macao Greater Bay Area that will likely increase demand for remote health consultations from Hong Kong residents.