HKSAR

MPF turns loss in Q1 during market turmoil

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The average return per member of Hong Kong's compulsory retirement savings system turned from profit to loss this year, as the upward trend in the global asset market was interrupted by a sharp stock market rout triggered by the Middle East conflict.

Christopher Lau

Mandatory Provident Fund (MPF) members in Hong Kong incurred an average loss of HK$6,521 ($833) in the first quarter of this year, ending a streak of four consecutive quarters of gains since the start of 2025, according to GUM, the MPF service provider, on Thursday.

GUM said the average MPF return per member dropped from a peak of HK$14,813 at the end of February to an average loss of nearly HK$21,334 in March.

The GUM MPF Composite Index — a measure of the overall MPF fund performance — retreated 2 percent to 280.7 points during this period. In March alone, the index tumbled 6.3 percent.

"With the latest two-week ceasefire agreement reached between the US and Iran, and the temporary reopening of the Strait of Hormuz, the market is expected to improve," said Christopher Lau, chief investment officer at GUM.

"Current economic data from the US, Europe, and Asia-Pacific markets are positive. Oil prices and inflation are likely temporary issues, and we do not see any risk of economic recession at the moment. Therefore, we are cautiously optimistic about the performance of MPF funds throughout the year," Lau added.

However, he warned that further increases in oil prices will worsen disruptions to global supply chains and diminish the possibility of further US interest rate cuts this year, as inflation expectations have changed. Previously, the market expected there would be three US interest rate cuts this year.

"The repricing of the interest rate movement will exert a downward correction on the global equity market," Lau said.

Looking ahead, GUM suggested that risk-tolerant MPF members consider global equity funds to diversify regional risks and capitalize on the trend of capital shifting toward non-US assets. The firm is also bullish on the continued strength of the renminbi, which should benefit regional equity funds.

Lau advised against investing in a single market such as Japan, South Korea, or Taiwan, saying such strategies would be too risky.

"Although these single markets have strong fundamentals driven by artificial intelligence and technology, they face challenges related to oil prices and inflation. Asian economies are heavily dependent on oil imports," he said.

Following a nearly 3.1 percent rebound on Wednesday amid news of the ceasefire agreement, the Hang Seng Index dipped 0.54 percent to close at 25,752 on Thursday, with a turnover of HK$245 billion.

The Hang Seng China Enterprises Index, a barometer of Chinese mainland companies, lost 0.75 percent to close at 8,611 points, while the Hang Seng Tech Index — the city's technology stock gauge — edged down 2 percent to close at 4,821 points.

Race begins

Candidates sit for the Chinese-language exam at Munsang College in Sai Wan Ho on Thursday, marking the start of this year's Hong Kong Diploma of Secondary Education core-subject examinations. Over 58,500 students registered for the HKDSE exam this year, representing a 5 percent increase from last year. All senior secondary students are required to take four core subjects — Chinese, English, mathematics, and citizenship and social development — alongside their elective subjects. PROVIDED TO CHINA DAILY

Govt to subsidize diesel, halve tunnel fees to counter surge in oil prices

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Hong Kong authorities will provide a diesel subsidy of HK$3 ($0.38) per liter and halve government tunnel tolls for commercial vehicles to cushion the effect of volatile oil prices.

According to a Hong Kong Special Administrative Region government statement on Thursday, both measures will remain in effect for two months, with an estimated expenditure of HK$1.8 billion and forgoing HK$160 million in tunnel fees.

The ongoing Middle East conflict — sparked by a US-Israel strike on Iran in late February — has propelled global crude prices to levels not seen in years. This market turbulence has hit Hong Kong hard, affecting sectors ranging from aviation and transportation to local fishermen and laundry businesses.

Consumers are also feeling the pinch at the pump, with average retail prices for premium petrol and diesel climbing 16 and 22 percent respectively since the conflict started.

These relief measures were among the four targeted initiatives proposed by a task force in charge of monitoring fuel supply — chaired by the financial secretary — during a meeting with Chief Executive John Lee Ka-chiu on Thursday.

The task force also proposed establishing a dedicated working group to process applications from public transportation operators seeking to adjust their operational strategies amid surging fuel costs, while recommending dynamically calibrating these measures in response to shifting geopolitical developments and global oil prices.

Lee approved all four proposals and ordered their swift implementation.

The SAR government will work with the Legislative Council to fast-track funding approval for the subsidy and liaise with tunnel operators to expedite the toll reductions, the statement added.

Stanley Chiang Chi-wai, chairman of the Hong Kong Land Transport Council, welcomed the government's support for the sector.

"Since the end of February, the price of diesel had risen by HK$8 per liter, and the proposed subsidy can cover 40 percent of the increase," Chiang said.

While the measure to halve tunnel tolls fell short of industry calls for a full waiver, it remains a helpful step, Chiang added.

Chow Shui-kan, president of the Hong Kong and Kowloon Fishermen Association, expressed guarded optimism at the relief measures.

He acknowledged that the subsidy provides some support to the community. However, Chow said that the current price for a liter of vessel-use diesel — rising from HK$4.50 to HK$11.50 — remains prohibitively high.

"Even with the subsidy, many fishing vessels remain economically unsustainable," Chow said. "Many operators may choose to stay in port for a few months to see how the situation unfolds."

Foreign delegates learn about Zhongshan's industrial prowess

By LU WANQING in Hong Kong
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Hong Kong-based foreign consular officials, entrepreneurs and professionals, during their two-day trip to Zhongshan, Guangdong province, said on Thursday that they were impressed by the city's high-tech development and identified potential for collaboration across many sectors.

The delegation, comprising 72 members that include consuls general, foreign chamber chairs, enterprise representatives, and government officials, was organized by the Commissioner's Office of China's Foreign Ministry in the Hong Kong Special Administrative Region.

Zhongshan is a city in the Guangdong-Hong Kong-Macao Greater Bay Area and the birthplace of Chinese revolutionary Sun Yat-sen (1866-1925). The trip aimed to help foreign communities explore more opportunities in the region.

Addressing the launch ceremony, Hua You, deputy commissioner of the Ministry of Foreign Affairs in the Hong Kong SAR, highlighted new cooperation opportunities during the nation's 15th Five-Year Plan (2026-30) period, and under its renewed national drive for "high-quality development" and "high-standard opening-up".

He said the Greater Bay Area is one of the country's most open and economically vibrant regions, contributing one-ninth of China's total economic output and one-fifth of its total trade, with a seamless flow of people, goods, capital and information.

Located on the west bank of the Pearl River estuary, Zhongshan offers a strategic hub for regional growth, supported by a well-connected land, sea, air and rail transportation network, Hua said. He added that the city hosts nearly 3,000 high-tech enterprises, making it both an "industrial base" and an "innovation springboard". It also holds a distinctive historical and cultural significance, he said.

Among the delegates, Peter Lund, New Zealand's consul general in Hong Kong, said such visits can "open doors to local enterprises" and provide opportunities "to find things we cannot get from reports and online research".

He added that through engaging with local businesses, exploring future technologies, and exchanging views, "we hope to gain insights that will help us understand and strengthen ties with this prominent city".

The delegation visited the Cuiheng New District Planning Exhibition Center, a key Greater Bay Area exchange platform in Zhongshan, followed by visits to XSTO, a provider of embodied mobile robot technologies, and Akeso, a pioneer in the country's innovative antibody-drug research and development.

Darya Bohdan, Belarus' acting consul general in Hong Kong, told China Daily she was "excited to see what's been developing in Zhongshan".

"I didn't know Zhongshan well before. I knew it was part of the Greater Bay Area and a major city in manufacturing, but I didn't expect it to have such high-tech products with so many different variations, for cargo and people. I'm quite impressed," she said, referring to Akeso's demonstration of its embodied wheelchair robot and motion-sensing logistics cart.

Bohdan added that Belarus already maintains a "good partnership" with China through the Belt and Road Initiative, citing the Great Stone Industrial Park — a special economic zone in Belarus established under a China-Belarus agreement.

"I hope we have more technologies coming," she said.

The delegation also visited Ming Yang Smart Energy Group, a leading manufacturer of new energy equipment, located within the Zhongshan Torch High-tech Industrial Development Zone.

Benjamin Sigg, co-president, national representative and a board member of the Swiss Chamber of Commerce in Hong Kong, said he "sees a lot of future collaboration."

China has "become the No 1 country in terms of the renewable sector and technologies overall," Sigg said, adding that Ming Yang initially relied on Swiss technologies, but now produces much of its equipment domestically in China, based on his conversations with the company's chief engineer.

Friday's itinerary includes visits to the Star Alliance Global Brand Lighting Center in Guzhen town, known as China's lighting capital; the Museum of Dr Sun Yat-sen, built around Sun's former residence and a key cultural relic site; and the West Artificial Island of the Shenzhen-Zhongshan Link.

This is the third such tour organized by the Commissioner's Office since 2023 for foreign consulates and business communities in Hong Kong to explore the broader Greater Bay Area. Previous visits included Shenzhen, Dongguan, Guangzhou, and Zhuhai.

Field visit to Hetao boosts confidence

Delegation vows to support Northern Metropolis with legislation, funding

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Hong Kong lawmakers hailed the Northern Metropolis' efficient and high-quality development on Thursday following a visit to the Hong Kong Park of the Hetao Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone.

They pledged to work with the city's executive branch to advance the Northern Metropolis through their roles in funding and legislation, and by amplifying industry voices.

The delegation, comprising 53 lawmakers and Secretary for Innovation, Technology and Industry Sun Dong, visited Building 8, one of two operational "wet labs" — laboratories designed for experiments with liquids and chemicals — a substation built by CLP Group in the Lok Ma Chau Loop; and the park's talent accommodation building. The delegation also engaged in discussions with enterprise representatives in the park.

Legislators and government officials also exchanged views on facilitating the cross-border flow of personnel within the park, including introducing dedicated legislation for the Northern Metropolis.

Sun said the lawmakers offered many constructive suggestions. While Hong Kong is working on its first five-year plan, he emphasized that both the executive and legislative branches are determined to jointly push forward the Northern Metropolis development in line with the nation's 15th Five-Year Plan (2026-30), Sun added.

Sun said the remaining five buildings in the park's first phase are expected to be completed by the end of this year, and undeveloped land sites in the initial stage will also be offered to the market this year.

As for the three completed buildings, Sun said the two wet-lab facilities — Buildings 8 and 9 — have brought aboard nearly 80 enterprises, with occupancy rates approaching 90 percent.

Legislative Council President Starry Lee Wai-king said that the Hetao zone's Hong Kong Park is at a stage of rapid development and serves as a "testing ground" for institutional innovation. She said LegCo will continue to support Northern Metropolis development, and that lawmakers will utilize insights from the visit when reviewing future funding applications, and proposing practical and feasible suggestions.

After the visit, David Lam Tzit-yuen, a lawmaker representing the medical sector, told China Daily that he was impressed by the life sci-tech companies operating in the Hetao zone, particularly their products such as robotic arms for medical applications.

He praised the park's well-designed layout, comprehensive facilities, and proximity to San Tin Technopole and the future university town, saying these will boost Hong Kong's innovation and technology sector and maximize synergy with Shenzhen and other cities in the Guangdong-Hong Kong-Macao Greater Bay Area.

Lam emphasized his responsibility as a lawmaker to track Northern Metropolis development, which he described as a key engine for Hong Kong's future growth — expected to bring new technologies, industries, jobs, and eventually homes for nearly one-third of the city's population.

He pledged to maintain communication with stakeholders and residents, advise the government, and exercise oversight duties. Lam said he has been engaging with the biopharmaceutical industry to understand their challenges and needs, especially regarding new drug registration and approval processes.

Lawmaker William Wong Kam-fai said that during exchanges with enterprises, he learned that the Hetao zone's location within the bordering area, along with its access to both Shenzhen and Hong Kong's institutional strengths, is a key draw for companies.

He added that the Hong Kong Park had reviewed over 750 applications for its incubation program from Nov 17 to Dec 30, eventually selecting 108 startups — 16 percent of which are from overseas. As a review panel member for the program, Wong said he is encouraged by the growing global interest in the Hetao zone. He added that Hong Kong's improved innovation ecosystem and Hetao's unique advantages have won international acclaim.

Tech entrepreneur and lawmaker Johnny Ng Kit-chong said Hetao zone's growth has exceeded his expectations, with high occupancy and quality enterprises. He promised to fast-track appropriations and legislative frameworks related to the Northern Metropolis, and bridge government-industry communication for better policies and supporting measures.

In particular, Ng stressed boosting cross-border flows of innovation factors, including people, biological samples, capital, and data.

The visit was LegCo's second field trip to the new township. The first visit was on March 26, when lawmakers and officials visited the Hung Shui Kiu/Ha Tsuen New Development Area to learn about its progress.

Festival prelude

Mongolian musician Xi Xiuquan (left) plays the *morin khuur* (horsehead fiddle) at the Hong Kong Cultural Centre in Tsim Sha Tsui on Thursday during the program briefing for the Chinese Culture Festival 2026. The June-September program, presented by the Culture, Sports and Tourism Bureau and themed "Legends", reinterprets classic tales through contemporary lenses with over 280 shows to promote national identity and cultural confidence. ADAM LAM / CHINA DAILY