

Government welcomes passage of Private Healthcare Facilities Bill

The Secretary for Food and Health, Professor Sophia Chan, welcomed the passage of the Private Healthcare Facilities Bill by the Legislative Council today (November 15).

Professor Chan said: "The new Ordinance will further protect patient safety and consumer rights through the introduction of a new regulatory regime for private healthcare facilities (PHFs). It will also facilitate the sustainable development of the healthcare system.

"Four types of PHFs will be subject to regulation, namely hospitals, day procedure centres, clinics and health services establishments. We will commence the regulatory regime in phases based on the types of PHFs and their risk levels. Sufficient time would be allowed for existing operators to get prepared for the new regulatory regime."

The registration for private hospitals under the new Ordinance would commence in 2019. The registration for day procedure centres and clinics are tentatively scheduled for 2020 and 2021 respectively.

The Private Healthcare Facilities Ordinance will be gazetted on November 30, 2018. As part of the transitional arrangement, an operator of a day procedure centre or a clinic in operation on November 30, 2018 will be issued with a provisional licence upon application for a full licence, provided that certain conditions are met. The provisional licence allows the day procedure centre or clinic concerned to continue to operate before it is qualified for the full licence.

"To safeguard public health, all operators who commence a private healthcare facility after November 30, 2018 should comply with the new regulatory regime, and apply for a full licence in accordance with the arrangement set by the Department of Health. The Department of Health will organise briefings for stakeholders on the details of the regulatory regime in the coming months," she said.

The Government will allocate additional resources and manpower to the Department of Health for setting up a full-fledged Office for Regulation of Private Healthcare Facilities. The Office will undertake the relevant statutory registration and enforcement work.

Members of the public may visit the website of the Department of Health's Office for Regulation of Private Healthcare Facilities (www.dh.gov.hk/english/main/main_orphf/main_orphf.html) to obtain the latest information.

Acclaimed local soprano Alison Lau to perform in January

Young soprano Alison Lau will give a vocal recital in January next year. The performance is presented by the Leisure and Cultural Services Department (LCSD) and forms part of the "Our Music Talents" Series.

Accompanying Lau will be pianist Alexander Wong, and together they promise the audience a delightful performance.

The programme will include Purcell and Britten's "Sweeter than Roses", "Fairest Isle", "If Music be the Food of Love (3rd version)" and "Hark! The Echoing Air"; Gluck and Sgambati's "Melodie"; Strauss's "Die Nacht (Op. 10, No. 3)", "Das Rosenband (Op. 36, No. 1)", "Ich schwebe (Op. 48, No. 2)", "Du meines Herzens Krönelein (Op. 21, No. 2)" and "Cäcilie (Op. 27, No. 2)"; and Duparc's "Chanson triste" and "Phidylé" and more.

Lau received her master's degree from the New England Conservatory of Music, Boston in 2015, after completing her bachelor's degree at the Hong Kong Academy for Performing Arts in 2013. In 2012, Lau was selected as one of Hong Kong's Young Music Makers by Radio Television Hong Kong, and she was a member of the Jockey Club Opera Hong Kong Young Artist Development Programme from 2015 to 2017.

Lau has won an Outstanding Performance Award at the Metropolitan International Vocal Competition in New York, first prize at the 10th Yokohama International Music Competition (Vocal Category) in Japan, and a Gerhart Hauptmann-Theater Special Prize at the 22nd Concorso Internazionale per Cantanti Lirici Spazio Musica in Orvieto, Italy. In 2017, she was awarded a Certificate of Commendation by the Secretary for Home Affairs in recognition of her musical achievements.

Highlights of Lau's 2017 to 2018 season include her solo début in Germany with Brahms' "A German Requiem". Also her performance with Al Ayre Español in the Young Friends of the Hong Kong Arts Festival, a highly praised concert which led to an immediate invitation for Lau's début at the Berlin Philharmonie. Lau also sang in a series of French mélodie recitals in Hong Kong and Taipei with the Music Lab, and continues to collaborate with Die Konzertisten in the Bach Pilgrimage Series and the HIP (Historically Informed Performance) project as soprano soloist. In addition, her début album with Universal Music Hong Kong was released this year.

The "Our Music Talents Series: Vocal Recital by Alison Lau" will be staged at 8pm on January 5 (Saturday) at the Theatre of Hong Kong City Hall. Tickets priced at \$120 and \$160 are now available at URBTIX (www.urbtix.hk). For telephone credit card bookings, please call 2111 5999. For programme

enquiries and concessionary schemes, please call 2268 7321 or visit www.lcsd.gov.hk/CE/CulturalService/Programme/en/music/programs_581.html.

The LCSd is presenting the "Our Music Talents" Series to nurture and support local emerging artists and groups and provide them with performing opportunities, enabling them to develop and showcase their talent.

HKSARG responds to US report

In response to media enquiries, a spokesman for the Hong Kong Special Administrative Region (HKSAR) Government made the following response today (November 14) to a report issued by the United States-China Economic and Security Review Commission:

"Since the return to the Motherland, the HKSAR has been exercising 'Hong Kong people administering Hong Kong' and a high degree of autonomy in strict accordance with the Basic Law. The 'one country, two systems' principle has been fully and successfully implemented.

"The Basic Law clearly stipulates that the HKSAR is an inalienable part of the People's Republic of China (PRC). Any suggestion for 'Hong Kong's independence' is a blatant violation of the Basic Law and a direct affront to the national sovereignty, security and territorial integrity of the PRC. 'Hong Kong's independence' runs counter to the successful implementation of 'one country, two systems' and undermines the HKSAR's constitutional and legal foundations as enshrined in the Basic Law. The HKSAR Government attaches great importance to freedom of speech, and such freedom is also protected by the Basic Law. However, relevant international human rights convention and court cases have clearly pointed out that freedom of speech is not absolute. The HKSAR Government has made clear that there is no room for discussing 'Hong Kong's independence'.

"For other issues mentioned in the report, including the Legislative Council By-election in March 2018, the handling of a fugitive surrender request made by the United States Government, and the co-location arrangement of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, etc, the HKSAR Government reiterates that it has all along been handling Hong Kong affairs strictly in accordance with the 'one country, two systems' principle, the Basic Law and the laws of Hong Kong. The HKSAR Government has also all along upheld freedom of the press.

"Under the Basic Law, Hong Kong is a separate customs territory and we remain committed to enforcing strategic trade controls. Hong Kong has, and will continue to maintain, close co-operation with the United States on the matter.

"The HKSAR Government expresses regret over the biased conclusions and

unfounded accusations made in the report. The HKSAR Government reiterates that foreign legislatures should not interfere in any form in the internal affairs of the HKSAR."

Transcript of remarks by CE at question-and-answer session of Joint Business Community Luncheon (English only)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at the question-and-answer session of the Joint Business Community Luncheon held at the Hong Kong Convention and Exhibition Centre today (November 14):

Attendee: Chief Executive, I did not have the benefit to be able to queue up for question this morning in the Legislative Council and I'll be asking exactly the same question I've prepared in English. Chief Executive, we're pleased to note that the Government will establish a Re-industrialisation Funding Scheme to subsidise manufacturers for setting up their smart production lines in Hong Kong. As you would agree, to expedite re-industrialisation of Hong Kong, a two-pronged approach should be taken, which should seek to promote both the developments of emerging industries as well as the upgrading of traditional manufacturing sectors. My question is, will the Government consider drawing up more concrete measures to support and stimulate our traditional industries including Hong Kong companies, manufacturing operations in the Pearl River Delta, so as to encourage them to embrace new technology and innovations? Thank you.

Chief Executive: Thank you very much, Jimmy. It's actually quite a bold attempt to say that Hong Kong wants to do industry again. But I'm convinced by my colleagues, and I've seen for myself, because about three months ago, I went to the Tai Po Industrial Estate and opened, for the first time in the past 50 years, a new textile plant in the Tai Po Industrial Estate using new technology to upcycle the textile, the fabrics collected from used clothes into new fabrics and textile. So, since we have embarked on this initiative to promote re-industrialisation in Hong Kong and put in the money for that purpose, we'll certainly take on your very positive suggestion that we should roll out concrete measures. We should, perhaps, identify which are the sectors in the manufacturing business that have good prospects, that will go through that re-industrialisation by the application of innovation and technology. I would appeal to members of the business community that if you have any concrete ideas, any specific suggestions, since we are still in the process of conceiving the scheme and how to use the \$2 billion that we have

set aside, I welcome more suggestions. But since we are short of land and labour, as I have just discussed, you have to think about and come up with those sectors which will not use a lot of land or labour, but use a lot of technology, and with more innovation, hopefully in the process provide more opportunities for young people.

Attendee: Y K Pang from the Hong Kong General Chamber of Commerce. Chief Executive, from the revitalisation of industrial buildings to the major initiative of the Lantau Tomorrow Vision, I think your commitment and efforts to improve the living conditions and the business environment in Hong Kong are very much welcomed by the business community. Now, as the Greater Bay Area initiative develops, how much will that initiative be a factor in alleviating the supply and resource constraints that Hong Kong businesses and residents have to cope with? Will we see more logistics business moving across to western half of the Pearl River Delta? How will Hong Kong better integrate for the Greater Bay Area? Thank you.

Chief Executive: The Greater Bay Area certainly will provide opportunities for Hong Kong to address what I describe as the constraints or bottlenecks in our taking Hong Kong further. But this time, I don't want to pursue it in a way that there are things we don't like in Hong Kong we put in the Greater Bay Area, there are things which are lower value we put in the Greater Bay Area. No, we have to identify win-win solutions for both Hong Kong and the Mainland cities. So finding synergy and going for complementarity, instead of direct competition, will be the guiding principle in our work in the Greater Bay Area.

I have agreed with Governor Ma Xingrui last November, that initially we can look at three main areas. One is to facilitate the free flow of people, goods, information and capital, and that would open up a lot of opportunities for our service industry. The second area is to develop this international innovation and technology centre, and this is where the complementarity will come in, because if we want the whole production chain, Hong Kong would be very good at R&D (research and development), invention and whatnot. Shenzhen, with its very advanced manufacturing capacity, will be very good in translational and commercialisation of the results of the R&D. And then Hong Kong again will be very good in being the platform for the raising of capital, especially after the revision to the listing rules this year. We are now having a new listing arrangement for the tech companies and the biotech companies. Within the Greater Bay Area, we should be looking for that sort of mutual co-operation. The third area that I have agreed with Governor Ma is there are clearly some services which Hong Kong has a strategic advantage, so we should help them to be established in the Mainland cities. The two areas we have identified, one is higher education, the other is medical services. I am pleased to see that progress has been made on both fronts for us to take some of these quality services into the Mainland cities in the Greater Bay Area.

Attendee: Madam Chief Executive, thank you for joining us again. The Chinese General Chamber of Commerce totally agrees and welcomes the Tomorrow Lantau Vision. It also demonstrates the determination of the Government to solve these long-term land and housing issues. However, since the announcement in

your Policy Address, there has been quite a bit of controversies in the community. Can I ask, what would the Government be doing to try to tell the community that this is worthy and beneficial for Hong Kong's long-term development in the future?

Chief Executive: Thank you, Herman. I have said in my Policy Address that, having worked in the Government for 38 years, and now as the Chief Executive for 15 months, I have come to the view that it is simply not possible to get a complete consensus on anything in Hong Kong, because Hong Kong is a free society of diversity. While I will continue to attach importance to public consultation and engagement, the lack of a complete consensus should not be the excuse for not doing things. That would be very detrimental to Hong Kong's future. So inevitably I have been expecting opposition and resistance to any form of reclamation. In fact, if I were not to talk about Lantau but to talk about other reclamations, like Ma Liu Shui, I am sure that the uproar will be even greater. The only way to convince the public is, of course, to continue to explain. We have been explaining, in fact, since earlier this year, that we don't have enough land. Through the Task Force on Land Supply, we have been explaining to the people of Hong Kong that we simply do not have enough land and I hope that this is now no longer an issue that has not got more or less a consensus.

And then the next question is if you don't have enough land, where do you get the land? I thought that there has also been a consensus that you need to have a multi-pronged approach to supply land. You also have to prepare for the rainy days, so it is not just the immediate need for land, but the future need of land. With those guiding principles, we conceived Lantau Tomorrow which we believe will address those aspirations of the people, but this is a very long process and a very complicated project that will last in the next 20, 30 years. We will continue to explain, we are not suggesting reclamation tomorrow or even next year, or even next two years, so there will still be enough time for us to explain to the public and I will appeal to every one of you to help us to explain why we need that sustained supply of land in order to meet, not only the housing needs but the business needs of Hong Kong.

Attendee: Eric Yim from Federation of Hong Kong Industries. Chief Executive, global manufacturing is now driven by technology innovation, and re-industrialisation will generate strong demand for STEM talents. However, the labour market of Hong Kong is short of these talents. Can you tell us whether the Government has any plan to groom our students in STEM or even STEAM education from a young age and sustain their interest thereafter?

Chief Executive: In the last 15 months or so, if you ask me the one single area that I have really put in a lot of personal attention is innovation and technology, and innovation and technology includes what Eric has just mentioned. In order to have sustained development of innovation and technology in Hong Kong, we need to have a sort of popular education about the importance of science and technology, engineering, mathematics, and even art. As the chairman of the Hong Kong Design Centre, you know better than many people that design or design-thinking is also very important for the modern economy. So we will continue to do that, and recently we have signed

two co-operation arrangements with the Mainland authorities – one with the Ministry of Science and Technology, the other with the Chinese Academy of Sciences, and both co-operation agreements include co-operation on the basis of promoting STEM amongst students and the younger population. In terms of specific measures, we are giving \$900 million in total to the secondary and primary schools to promote whole-person education, and multiple pathways, that would include STEM education. We are supporting more students to go abroad to participate in STEM competitions. We are upgrading our own Science Museum to promote popular appreciation of STEM and again, I'm sure every one of you could help to promote STEM education and appreciation amongst the people of Hong Kong. Let's work together and hopefully Hong Kong society will become a more tech-savvy society, and prepare our younger generation to rise to the challenge of the new economy.

Attendee: Chief Executive, thank you again for being with us, it's Andrew Seaton from the British Chamber of Commerce. It's something of a follow-on question to YK's question about the Greater Bay. I think businesses in Hong Kong were very excited by the Greater Bay strategy, both for the opportunities it offers them, but also for the opportunities it offers Hong Kong. I wonder if you could say something about how you see the way ahead in respect of the governmental and inter-governmental policy initiatives, regulatory initiatives, which you see as facilitating and taking best advantage of that opportunity for Hong Kong. Thank you.

Chief Executive: We all recognise that in order to have a successful Bay Area economy under "One Country, Two Systems", three customs jurisdictions, three legal systems, three currencies, there needs to be a high-level steer and co-ordination. That's why since the end of last year I have asked for the establishment of a high-level steering group to help us take forward the Greater Bay Area. And now we have it. On 15th of August, the Leading Group on the Greater Bay Area was established and the first meeting took place on 15th of August, and it is chaired by the Vice-Premier, Mr Han Zheng who is also in charge of Hong Kong and Macao affairs. For the first time, the Chief Executives of Hong Kong and Macao are made full members of this Leading Group, not only will we attend the meetings as a full member, but I have Vice-Premier Han Zheng's agreement that as a full member we can also suggest agenda items, write papers, present research ideas to the Leading Group. So that is a very important inter-governmental, or whatever you call it, steer, and it is not easy to get it because we have only seven leaders of that status and we managed to get the Vice-Premier to look after the Greater Bay Area.

Secondly, within the Greater Bay Area we need closer collaboration between ourselves and the Guangdong Province, which I'm very fortunate because I know the Guangdong Governor for several years when he was the party secretary in Shenzhen. With that sort of personal friendship, it does make our co-operation and communication much easier.

Third, in his latest guidance to us, President Xi Jinping said two days ago in meeting with the delegation from Hong Kong and Macao that we need to be bold and we need to be very innovative, and we need to look at boldness and innovation not only in individual initiatives, but in the system

(é«"â^¶çš,,â%µæ-°), so whatever may not appear to be possible today could be possible, because this is innovation, and now we have a mechanism or forum to pursue those innovation. I think we have all the right ingredients to ensure success in the Greater Bay Area, let alone this enhanced connectivity with the opening of the Guangdong-Shenzhen-Hong Kong high speed train and also the bridge, and next year we'll open a new land border crossing to the eastern part of Shenzhen called the Liantang/Heung Yuen Wai. That's why on one occasion I said that to pursue the Greater Bay Area at this point in time, we have really [all the things we need](#) – we have all the things we need. It is now up to us, especially in Hong Kong, the Government, the business, the individuals, especially the young people, to seize those many opportunities and make the best use of these opportunities to grow Hong Kong's economy and to improve people's livelihood.

I think we're coming to an end of this Q&A and I want to take this opportunity to thank you again. I was told that every year the chambers organise this forum in very much the same way. But may I suggest a change for next year – you people do not have to treat me so kindly by giving me your questions in advance. I don't read your questions. If I don't have time to prepare for a speech, how could I have time to prepare for replies to questions? So, let's have a more impromptu, interactive session – you can ask whatever questions you like, and I will answer in a most genuine and sincere manner. Thank you very much.

[Speech by CE at Joint Business Community Luncheon \(English only\) \(with photos/video\)](#)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Joint Business Community Luncheon held at the Hong Kong Convention and Exhibition Centre today (November 14):

Thank you very much, Jonathan (Chairman of the Chinese General Chamber of Commerce, Dr Jonathan Choi), Aron (Chairman of the Hong Kong General Chamber of Commerce, Dr Aron Harilela) and members from over 30 chambers for hosting this post-Policy Address business luncheon for me for a second time. I'm extremely grateful for that, so I have given myself a question to answer in the next 20 to 25 minutes, and that question is, "Is my 2018 Policy Address a pro-business Policy Address?"

If you judge by the response given to me after my delivery of the Policy Address on the 10th of October, the answer is simple, because I noticed that five main chambers of commerce, who are all here in this business luncheon, have individually issued statements to welcome my Policy Address and outlined

those various measures that they find very encouraging. So I thank the chambers for their very positive endorsement immediately after the delivery of my Policy Address. But this question should still be answered by the Chief Executive herself, so in the next 10 minutes or so I'll try to impress upon you and hopefully when you leave this grand hall you'll have no doubt that the 2018 Policy Address is a pro-business Policy Address.

Of course this Policy Address is a very lengthy and wordy Policy Address running into 40,000 words in English and 59,000 characters in Chinese. But if you look at the chapter on "Diversified Economy", it actually is the most substantive section in my Policy Address, taking up almost 22 per cent of those words. And in the chapter on "Diversified Economy", one of the first things I said is I want to reaffirm my Government's additional roles which I have been championing in the past 15 months, that in addition to being a provider of public services and a regulator, I want my Government to be a facilitator and a promoter. True to that advocacy, in the last 15 months there are many initiatives and many actions that fall in line with that mission for the Government to facilitate the work of the business and to promote, together with the business chambers, the Hong Kong success and the Hong Kong story.

I have been on 11 overseas trips since taking office, and on many of these trips I was accompanied by business leaders. For example, Jonathan has been with me to Vietnam and recently to Japan. So this promotional role of the Government and the business community is actually very aligned. The second point I made in this particular chapter on the economy is what Jonathan has just mentioned, that the Government will do her utmost to help the business sector to seize the many opportunities under the Belt and Road Initiative and also the Greater Bay Area, and also to better integrate into the national development. And on this front, I hope everyone in my 165-strong delegation to Beijing recently, in fact two days ago, should feel very excited and very encouraged by what President Xi Jinping said about his hopes for Hong Kong and his recognition of the strong contribution made by the business sector as well as other sectors over the past four decades of the reform and opening up of the country. We will lose no time and spare no effort in incorporating the President's four hopes into the work of the HKSAR Government in order to create more opportunities for our business sector.

The third point which you should appreciate is I did acknowledge that we have problems, so not everything is fine. I did acknowledge that we have a shortage in land and labour, which Aron has mentioned in his introductory remarks. On land, we have launched short to medium measures especially in providing more premises for the business sector, relaunching a very successful policy to revitalise the old industrial buildings. Since then, I have received some positive feedback from the business sector that this would perhaps provide some immediate relief. And also, in relaunching this revitalisation of industrial buildings, or what we call "2.0", we have put in some additional measures in order to create more capacity as a result of the revitalisation.

On the longer term initiative, nothing of course is more important than my vision on Lantau. This Lantau Tomorrow Vision will create for Hong Kong a

third CBD. You all know our traditional CBD is in Central, providing no more than 3 million square metres of Grade A office supply. The second CBD, which was also conceived by me when I was Secretary for Development in 2009, is Energizing Kowloon East, which is doing very well. And when everything is completed in Energizing Kowloon East, we could expect 6 to 7 million square metres of office space. But we still should look ahead to provide more commercial spaces and office towers for Hong Kong's continued and sustainable development. And that is where the third CBD comes into the picture.

In Lantau Tomorrow, we are planning on the basis of a 4 million square metres CBD, which is actually very close to Central, it's only 4 kilometres away from Central, and with rail and road it will be very well connected to Hong Kong's financial district. So I hope I will get the support for executing my vision on Lantau Tomorrow.

On labour, I appreciate and I understand that more needs to be done, so I said this morning in the Legislative Council Q&A Session that when things settle down a bit and come 2019, I, together with the Secretary for Labour and Welfare, will actively engage the business sector as well as the labour sector with a view to come up with clear directions for resolving Hong Kong's labour shortage. But in the meanwhile, we are giving additional support to vocational and professional education and training, we have introduced a tech talent admission scheme for bringing in technology talents, we have launched a Talent List under the Human Resources Planning Commission headed by the Chief Secretary for Administration, and we will do all the other things necessary in order to address labour shortage.

The fourth point in this chapter is we will be more proactive in conducting government-to-government work. So entering into bilateral and multilateral agreements in order to provide that environment, that expanded market access and environment, for the business sector is one of our priorities. You will remember that at end of last year we signed the Free Trade Agreement (FTA) with the 10 member nations of ASEAN. This will come into effect early next year. Right now, we are in advanced negotiations with Australia on another FTA and we have indicated interest to negotiate with the United Kingdom after Brexit and we have also indicated interest to negotiate FTA with the Pacific Alliance, the four South American countries. So the FTA will provide better access for our goods and services into the new markets. Beyond the FTA, I know someone will compare us to Singapore in terms of comprehensive agreement on the avoidance of double taxation, which I understand we have more catching up work to do. Now we have 40; I have given them a target of 50 within the next two, three years. The same applies to investment, promotion and protection agreement.

Meanwhile, we are also putting in a lot of efforts to do overseas promotions. Some of the business leaders have taken part in our recent mission to Japan. This five-day promotional visit to Japan was very well received in the words of Ambassador Matsuda (Mr Kuninori Matsuda), the former Consul-General of Japan in Hong Kong. He told me that as a result of this five-day visit and the many meetings, gala dinners and seminars, Japan has rediscovered Hong Kong.

There are a lot of opportunities in Hong Kong, especially on the innovation and technology side. We have not forgotten our interactions and engagement with the Mainland authorities because the Mainland of China will continue to be a huge market for our business and a place where we will continue to invest quite heavily. So within a year, 2018, I have started or restarted the bilateral, high-level co-operation platform with Sichuan Province, with Beijing, with Shanghai and later this month with Fujian. And also added to it will be the pan-Pearl River Delta regional co-operation. We will continue to do that in order to provide more opportunities.

On the sector-specific initiatives, the chapter on "Diversified Economy" has actually attempted to cover more sectors than we did previously. For example, the movie people were telling me that this was the first time that they got such a high-profile treatment in the Policy Address. There was a whole section on how we could assist and promote Hong Kong's film industry. The maritime people will hopefully tell me when I go to attend their 50th anniversary Shipowners Association gala dinner that for the first time the maritime sector has been given very significant treatment in my Policy Address with a list of initiatives that we want to promote high-value-added services in the maritime industry. Beyond that, of course in financial services we will not lose sight of this very important sector of Hong Kong. We will be doing more green financing, issuing of government green bonds and riding on this continued opening up and reform in the Mainland's financial services sector, to get Hong Kong onto that platform of providing more services to the Greater Bay Area and beyond.

Tourism, innovation and technology, legal services and other areas of the creative industries have also been given due attention in the chapter on "Diversified Economy". The only sector which legitimately has a complaint is agriculture and fisheries. I'm afraid that despite my utmost efforts, I find it quite difficult to come up with very substantive measures to promote Hong Kong's agricultural and fisheries industry. But perhaps I will try harder in next year's Policy Address.

But now let's not just focus on this chapter on "Diversified Economy". If I want to convince you that this Policy Address is a pro-business Policy Address, I will encourage you to look beyond the chapter on "Diversified Economy". For example, the chapter on education, on nurturing talents, I am equipping and nurturing people to support business, because I just heard Aron complaining that it's very difficult to get talents into some of the sectors. We are putting in a lot more money and attention into quality education, so you will have the right manpower in time to come.

About promoting employees' benefits and support, this is a very tricky area. I understand some business people are unhappy about my section on promoting labour benefits, because labour benefits somehow have been equated as "anti-business". I don't take that view. I hope business sector does not take that view and have what my Secretary for Labour and Welfare called "reverse thinking". Put yourself into the shoes of the workers, and understand that if workers are being treated well, they will be your loyal and dedicated staff that could create value for the company. But even then in my pro-labour initiatives, I have put in a lot of money. I have put in \$29

billion in order to implement the evolution of the "offsetting" arrangement in the Mandatory Provident Fund. And I'm picking up the bill – almost every dollar – for the four extra weeks of maternity leave, by providing reimbursement for companies to come to claim that extra four weeks of maternity leave salaries for their female employees. I hope there should be no complaint about these pro-labour benefits and measures in my Policy Address.

In order to boost everybody's confidence, let me end by sharing a few of the positive developments in the past year or so. In the first half of this year, Hong Kong has achieved 4 per cent real growth in our economy. And that is quite encouraging because in the past decade our average growth is 2.7 per cent. Property prices have started to moderate. Some developers like Victor may not like to hear this, but property prices have moderated since August after my announcement of a package of housing initiatives on the 29th of June by about 2 to 3 per cent, and hopefully rentals for commercial premises will also be moderated in due course. In the first 10 months of this year, our Hong Kong exchange has achieved the world's number one in terms of IPO, raising a total of HK\$250 billion. Together with Laura Cha and Charles Li, we are very confident that we will be the world's number one in the year 2018.

Our latest survey indicates that we have seen a 6.4 per cent increase in the number of Mainland and overseas companies setting up in Hong Kong – total number has now reached 8,754. In particular, the growth was even more prominent in companies which are using Hong Kong as their regional headquarters. We have seen an 8.2 per cent increase in the number of overseas and Mainland companies using Hong Kong as their regional headquarters – now the number totalled 1,530. And this was across the board. The top five countries with companies in Hong Kong, that is Mainland, Japan, America, UK and Singapore, all registered increases in the number of companies set up in Hong Kong in the past 12 months.

We have of course retained the title of being the world's freest economy ranked by the Heritage Foundation and the Fraser Institute. In the London-based international financial centre index, we remain number three but the difference between ourselves and London and New York has narrowed. We are the second most competitive economy in the world as assessed by the Lausanne-based Institute for Management Development. In the World Economic Forum (WEF) competitiveness report, we are number seven. Last year, we were number six, but this is not a deterioration of our performance. It's a change of methodology. Actually they have a conversion table – this year's number 7 is actually last year's number 6. But we will, I will, continue to do well, I hope, on the WEF competitiveness report. And Aron mentioned about red tape, bureaucracy. You'll be pleased to know that we have moved one rank up in the World Bank's 2019 Doing Business report – we are now the world's number 4 in terms of the ease of doing business.

Despite these positive developments, let me assure you that the Government is not complacent. I'm fully aware of the downside risk arising from the US-China trade tension and dispute. Our Secretary for Commerce and Economic Development, Edward Yau, has been meeting chambers for almost 10 times now in the last six months, and we have rolled out various support

measures before the Policy Address and beyond the Policy Address. So as and when we see that the Government needs to act to help the businesses to ride out the storm, especially amongst the SMEs, you can be assured that we will do it without waiting for this and waiting for that.

The most important or most gratifying message you can take home is our attitude. We will continue to be very humble and put in a lot of efforts to engage the business sector. We are very caring and we love to listen to you but then we will act. So with those remarks, I want to thank the chambers again for organising this joint business chamber luncheon to talk about my Policy Address and wish to see you again next year.

Thank you very much.

