

## Speech by Acting CE at Financial Times-AIIB Summit (English only) (with photo/video)

Following is the speech by the Acting Chief Executive, Mr Paul Chan, at the Financial Times-AIIB Summit this morning (October 23):

President Jin (President of the Asian Infrastructure Investment Bank (AIIB), Mr Jin Ligu), Angela (Global Publisher, FT Live and Managing Director, Asia Pacific of Financial Times (FT), Ms Angela Mackay), distinguished guests, ladies and gentlemen,

Good morning. I'm pleased to join you today for the second time at Financial Times-AIIB Summit. This year's theme, "Bridging the Bankability Gap," is a smart and timely topic.

Getting the right infrastructure in the right place at the right time, as you can see from here in Hong Kong, is surely key to economic growth and prosperity.

The challenge, of course, is getting the funding to make it work, or more precisely, getting private funding to play a bigger role in infrastructure development. Making infrastructure bankable is one of our great challenges.

We need answers as quickly as they can be raised. Between 2016 and 2030, developing Asian countries will require infrastructure investment totaling US\$26 trillion, in other words, US\$1.7 trillion a year on average, to maintain growth, fight poverty and address climate change.

Infrastructure spending, to date, has largely come from the public sector, namely governments and multilateral development agencies. As the funding gap continues to expand, public-sector investment will no longer be adequate.

At the same time, we are seeing strong infrastructure investment interest among private investors. However, there is a lack of bankable projects out there for investors and financiers due to a number of issues from political and legal risks at the country level, to construction, operation and financial risks at the project level.

In short, mitigating these risks is critical to improving the bankability of infrastructure projects and, in doing so, narrowing the infrastructure financing gap.

At the recent Finance Minister's Meeting of the Asia-Pacific Economic Cooperation (APEC) which I attended last week in Papua New Guinea,

infrastructure financing was one of the focus areas. The APEC Business Advisory Council, which comprises representatives from the private sector of each APEC economy, also urged financial ministers to explore ways to make infrastructure projects more bankable.

In this regard, the Asian Infrastructure Investment Bank (AIIB) plays a key role, bringing countries together to address Asia's urgent infrastructure needs and improving social and economic development in the region. In operation only since 2016, the Bank has already approved projects worth more than US\$5 billion.

Hong Kong has been a member of the AIIB since June of last year. We have the resources, capital, connections and expertise, to contribute to the AIIB. Indeed, we have what it takes to serve as the region's fundraising and financial management hub for infrastructure projects.

The Stock Exchange of Hong Kong has led the world in IPO (initial public offering) fund raising in five of the past nine years. Last year, our IPO funds totalled US\$16.5 billion. And it is highly likely that this year we will top the world again given the huge amount of funds raised so far this year.

As mentioned last year, our Securities and Futures Commission also set out the criteria for assessing the eligibility of infrastructure project companies looking to list on our Main Board. It provides a clear pathway for infrastructure project companies.

This year, in order to promote sustainable developments in the region, we have launched a Green Bond Grant Scheme to subsidise the costs incurred by green bond issuers in obtaining green finance certification. We are also working on a Government Green Bond Programme, with a borrowing ceiling up to HK\$100 billion, to fund Government green public works projects. In addition, we have introduced a pilot Bond Grant Scheme plus tax incentives to attract more issuers to Hong Kong.

In the first half of this year, at least 15 green bonds were issued in Hong Kong, with an aggregate size of US\$8 billion. The Asian Development Bank, the World Bank and the European Investment Bank were among the issuers. This speaks well of Hong Kong's promise as a regional green finance hub.

The first and foremost important step in ensuring a project's bankability, perhaps is a proper project feasibility study and preparation. In this regard, I applaud AIIB for the introduction of a Project Preparation Special Fund to assist lower income developing countries with funding support for appropriate technical assistance, in their preparation of projects for subsequent consideration and approval by AIIB. Hong Kong has therefore pledged to donate US\$10 million to this worthy cause.

On risk mitigation, our deep pool of multicultural finance and legal professionals is our compelling advantage. Leading the field in conducting project feasibility, due diligence, financial engineering and arranging for

insurance, we are able to help de-risk infrastructure projects to make it more bankable. Our legal profession can also help ensure contract enforcement and resolve disputes. We are well-positioned to serve as the region's international arbitration hub for commercial disputes. Arbitral awards made in Hong Kong are enforceable in over 150 jurisdictions, including the Mainland of China.

As China's international financial capital, Hong Kong is also the world's largest offshore Renminbi (RMB) business hub. That makes us an attractive destination for those who wish to raise funds in RMB, in addition to US dollar.

The Infrastructure Financing Facilitation Office of the Hong Kong Monetary Authority (HKMA) is a first mover in infrastructure financing. Its network of partners has now exceeded 90. Coming from all over the world, they include development banks, project developers and operators, financiers, institutional investors and professional services firms.

Apart from financing green field projects, we are also looking at how we may better assist projects in brownfield stage. The new capital standards for banks do not make it attractive for them to hold on to these infrastructure loans on a long term basis, even though the projects are operating smoothly and profitably. Yet, there are many other investors, such as insurance companies and pension funds, which are looking for less risky investments that can produce stable long-term cash flow. The Hong Kong Mortgage Corporation Limited, again under the HKMA is pursuing the proposition of securitising infrastructure loans to provide banks with opportunity to offload their loans to those long-term investors. That will facilitate additional flow of capital into infrastructure projects.

Hong Kong, in short, is fast becoming a key infrastructural financing centre. We have the means, the expertise and the motivation, to serve as a hub for the AIIB, sourcing investment opportunities, prospective investors, and financing partners.

Hong Kong, of course, is a world leader when it comes to infrastructure, finishing second in the category in this year's Global Competitiveness Report by the World Economic Forum. Our annual infrastructure investment has soared from US\$2.5 billion to more than US\$10 billion over the past decade. In the coming five years, we expect that the annual contract value of construction work in Hong Kong to reach US\$30 billion or so, given our unshakable commitment in increasing land and housing supply, expediting hospital developments, building railway extensions and other infrastructure projects.

Infrastructure has long been the engine driving Hong Kong's economic growth. As some of you may have heard, we have more plans in hand for Lantau. In the Policy Address earlier this month, we announced the Lantau Tomorrow Vision.

Under this Vision, we will begin studies on a large-scale reclamation in phases. The first phase will encompass some 1 000 hectares of artificial

islands southeast of Lantau and to be followed by a second phase comprising 700 hectares of artificial islands. Together, they will provide land to sustain the long-term housing, economic and employment needs of Hong Kong.

The reclaimed land will also allow us to thin out our densely populated urban areas. It will enable the redevelopment of old districts and improve our overall living environment, while achieving more balanced spatial development for Hong Kong.

The artificial islands will become Hong Kong's third Core Business District, after Central and Kowloon East. And we will ensure that plenty of space is set aside for business and industrial development.

Roads and railway networks will be built to support the new developments and to relieve traffic on the western part of the New Territories.

We also see a promising opportunity to create a cluster of airport-related businesses in the proximity of the Hong Kong International Airport.

And, let me make it clear, we are as committed to protecting the natural and rural environment of Lantau as we are to pursuing this far-reaching vision. And we have set aside a dedicated fund for that purpose.

Ladies and gentlemen, this is a development without precedent, huge in scope and vast in its significance. Such an undertaking will bring with it diverse views throughout the community. That's both understandable and welcome. Constructive comments can help ensure its ultimate success.

Rest assured, we believe in the Lantau Tomorrow Vision, in its long-term promise – that of ensuring a sustainable, thriving and livable city for the people, and for the economy of Hong Kong.

We look forward, as well, to supporting the AIIB, in contributing to the inclusive economic development of Asia.

My sincere thanks to the Financial Times and the AIIB for organising today's summit. I wish you all a rewarding summit and the best of business – and bankable investment, of course, in the coming years.

Thank you.



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## [Hong Kong Monetary Authority Exchange Fund Bills Tender Results](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

Hong Kong Monetary Authority Exchange Fund Bills Tender Results:

|                        |                    |
|------------------------|--------------------|
| Tender date            | : October 23, 2018 |
| Paper on offer         | : EF Bills         |
| Issue number           | : Q1843            |
| Issue date             | : October 24, 2018 |
| Maturity date          | : January 23, 2019 |
| Amount applied         | : HK\$139,250 MN   |
| Amount allotted        | : HK\$58,136 MN    |
| Average yield accepted | : 1.66 PCT         |
| Highest yield accepted | : 1.70 PCT         |
| Pro rata ratio         | : About 2 PCT      |
| Average tender yield   | : 1.73 PCT         |

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|                |                    |
|----------------|--------------------|
| Tender date    | : October 23, 2018 |
| Paper on offer | : EF Bills         |
| Issue number   | : H1872            |
| Issue date     | : October 24, 2018 |
| Maturity date  | : April 24, 2019   |

Amount applied : HK\$50,270 MN  
Amount allotted : HK\$17,000 MN  
Average yield accepted : 1.76 PCT  
Highest yield accepted : 1.78 PCT  
Pro rata ratio : About 68 PCT  
Average tender yield : 1.84 PCT

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Hong Kong Monetary Authority tenders to be held in the week beginning October 29, 2018:

Tender date : October 30, 2018  
Paper on offer : EF Bills  
Issue number : Q1844  
Issue date : October 31, 2018  
Maturity date : January 30, 2019  
Tenor : 91 Days  
Amount on offer : HK\$34,898 MN

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Tender date : October 30, 2018  
Paper on offer : EF Bills  
Issue number : H1873  
Issue date : October 31, 2018  
Maturity date : May 2, 2019  
Tenor : 183 Days  
Amount on offer : HK\$11,000 MN

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Tender date : October 30, 2018  
Paper on offer : EF Bills  
Issue number : Y1896  
Issue date : October 31, 2018  
Maturity date : October 30, 2019  
Tenor : 364 Days  
Amount on offer : HK\$5,000 MN

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## [HA commences influenza vaccination programme](#)

The following is issued on behalf of the Hospital Authority:

Public hospitals and out-patient clinics of the Hospital Authority (HA) will start providing seasonal influenza and pneumococcal vaccinations in phases to eligible persons tomorrow (October 24) to tie in with the Government Vaccination Programme (GVP) for 2018/19.

The HA spokesperson today (October 23) reminded members of the public that the seasonal influenza vaccination programme this year will be carried out in two phases. In the first phase, the HA will provide influenza vaccination to eligible patients of public hospitals and out-patient clinics (see the attached leaflet for details). The second phase will commence on November 5 to cover community-living elderly persons aged 65 or above.

"We will arrange influenza vaccination for our patients in the first phase in order to enhance their immunity against influenza, reducing their risk of infection during the influenza season, and thus reducing the healthcare service demand in public hospitals during the period," the spokesperson said.

"Poultry workers, pig farmers and people who are involved in poultry culling operations or the pig-slaughtering industry, as referred by relevant government departments, can also receive seasonal influenza vaccination in 22 designated General Outpatient Clinics (GOPCs) from November 12 onwards."

Eligible patients with regular follow-up at Specialist Outpatient Clinics (SOPCs) or GOPCs are advised to receive vaccination at the time of their pre-scheduled follow-up appointments within the vaccination period. Patients whose follow-up appointment date falls outside the vaccination period should enquire at the clinics for necessary arrangements.

Furthermore, the HA has also started to provide flu vaccination for staff on a voluntary basis from October 10.

"Regarding the arrangement for pneumococcal vaccination, the HA will dovetail and provide pneumococcal vaccination to eligible elderly persons under the programme," the spokesperson remarked.

"Eligible persons who wish to receive seasonal influenza and pneumococcal vaccinations should attend the out-patient clinics while bringing along relevant documents. They will receive vaccinations if assessed as clinically suitable by clinical staff."

The spokesperson stressed that both the seasonal and pneumococcal vaccines are safe. Protection from seasonal influenza vaccination will develop in about two to four weeks after receiving and may last at least six months. It is usually well tolerated apart from occasional soreness at the injection site. Some people may have fever, muscle and joint pains and tiredness after vaccination lasting one to two days. As for the pneumococcal vaccine, protection will be generated in two to three weeks after inoculation.

"Anyone with influenza symptoms, fever or severe illness should defer

the vaccination until they have recovered."

Members of the public can enquire about the details of the Government Vaccination Programme at the respective specialist clinics or GOPCs where they are attending, or make enquiries at the HA hotline 2300 6555 during office hours or visit the following website: [www.ha.org.hk/goto/gvp201819/en](http://www.ha.org.hk/goto/gvp201819/en).

The HA has already started promoting the vaccination programme through different channels, including the display of notices at prominent places of public hospitals and out-patient clinics.

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## [Cantonese opera talents to re-run “A Fan to Remember” and “The Cosmic Mirror”](#)

Promising young Cantonese opera actors will collaborate with other local Cantonese opera performers in the re-run of two acclaimed works, "A Fan to Remember" and "The Cosmic Mirror", in December and January. The productions are directed by Liu Xun and produced by Yeung Chi-sum, and details are as follows:

"A Fan to Remember"

Cast: Ruan Dewen, Hong Wah, Chan Ka-ming, Liu Kwok-sum, Hung Hoi, Lui Hung-kwong, Wong Hai-wing, Kim Lun and Kim Ying

7.30pm, December 14 and 15 (Friday and Saturday)

Auditorium, Ko Shan Theatre New Wing

Tickets: \$120, \$240 and \$320

"A Fan to Remember" takes place at the end of the Ming dynasty when a titled scholar, Hou Chaozong, and a famous courtesan, Li Xiangjun, are very much in love. Hou writes a love poem on a fan as a gift for engagement. Ruan Dacheng wants Hou to join his faction. He offers Li dowry gifts but Li humiliatingly turns them down. Ruan then holds a grudge against Li. Ruan becomes a trusted courtier of the new emperor Prince of Fu and eradicates dissidents. Hou receives a secret letter from Shi Kefa and immediately takes leave of Li. With Yang Longyou as the go-between, Ruan coerces Li to marry his adherent. Li throws herself against a pillar and blood stains her fan. As a reminder of the tragedy, Yang adds a few strokes to turn the stains into a painting of peach blossoms.

"The Cosmic Mirror"

Cast: Song Hongbo, Zong Yun-sin, Hong Wah, Chan Ka-ming, Hung Hoi, Lin Xinling, Kim Lun and Kim Ying

2.30pm, January 13 (Sunday)



Auditorium, Yuen Long Theatre  
Tickets: \$120, \$220 and \$280  
7.30pm, January 25 (Friday)  
Auditorium, Tsuen Wan Town Hall  
Tickets: \$120, \$160, \$220 and \$280

The story begins when the country is suffering a three-year drought. The Dragon King, who administers rainfall, issues a mandate to Du Shuangcheng, an officer in the mortal world, to find a Cosmic Mirror at a precipice in order to end this disaster. Du and his wife Yuexi secretly discuss ways to get out of this. Du's elder sister Shuangyi even kills herself to make him realise his duty as a public servant. With tears in their eyes, the couple embark on the journey. When they get stranded in a snowstorm, Yuexi sacrifices her life for Du's survival by feeding him with her own blood. After Du has barely managed to escape to safety, he meets two beautiful temptresses. At the critical moment that he is about to give up his mission, Yuexi and Shuangyi's spirits suddenly appear, castigating him for such weakness of will. Du realises the importance of his mission and is now determined to break away from the temptresses.

The above performances are under the "Revisiting a Fine Selection of Cantonese Opera" programme presented by the Leisure and Cultural Services Department. Tickets are now available at URBTIX ([www.urbtix.hk](http://www.urbtix.hk)). For telephone credit card bookings, please call 2111 5999. For programme enquiries and concessionary schemes, please call 2268 7325 or visit [www.lcsd.gov.hk/CE/CulturalService/Programme/en/chinese\\_opera/programs\\_672.html](http://www.lcsd.gov.hk/CE/CulturalService/Programme/en/chinese_opera/programs_672.html).

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## **Free influenza vaccination to start tomorrow**

With the launch of the Government Vaccination Programme (GVP) 2018/19 tomorrow (October 24), the Centre for Health Protection (CHP) of the Department of Health (DH) today (October 23) reminded eligible persons to receive free seasonal influenza vaccination (SIV) in a timely manner to better protect themselves in the coming winter influenza season.

The GVP will be implemented in phases. Starting from tomorrow, the GVP will provide vaccination to the following eligible groups who are Hong Kong residents:

- Pregnant women who are Comprehensive Social Security Assistance (CSSA) recipients or Certificate for Waiver of Medical Charges (Certificate) holders can get vaccinated in Maternal and Child Health Centres (MCHCs) of the DH or Antenatal Clinics of the Hospital Authority (HA);

- Children aged 6 months to under 12 years receiving CSSA or holding the Certificate can receive vaccination in MCHCs (6 months to under 6 years) and Student Health Service Centres of the DH (6 to under 12 years). Those seeking telephone booking for eligible schoolchildren may call the Student Health Service hotline (2856 9133);
- Elderly persons aged 65 or above attending public clinics, persons who are CSSA recipients or Certificate holders aged 50 to under 65 and those aged below 50 with chronic medical problems, eligible in-patients (including paediatric patients) of the HA and eligible paediatric out-patients, and eligible persons with intellectual disabilities and community-living persons receiving Disability Allowance can receive vaccination during their follow-up or stay in public clinics/hospitals; and
- Residents of homes for the elderly and persons with disabilities, public/institutional healthcare workers, poultry workers and pig farmers can also get vaccinated accordingly.

Further to the above, community-living elderly persons aged 65 or above can get vaccinated in General Out-patient Clinics of the HA and designated Elderly Health Centres of the DH starting from November 5.

In parallel, the Vaccination Subsidy Scheme (VSS) started on October 10 to provide subsidised SIV to eligible persons. The coverage of the VSS has been extended from elderly persons aged 65 or above to Hong Kong residents aged 50 or above, further enhancing the vaccination rate of the community. The subsidy for SIV under the VSS will also be increased from \$190 to \$210 per dose for all eligible groups. Under the VSS, enrolled private doctors can provide subsidised vaccination to eligible groups in their clinics, or organise outreach vaccination activities.

The DH also introduced the School Outreach Vaccination Pilot Programme this year to increase the SIV uptake rate among primary school children. The pilot programme was rolled out yesterday (October 22) to reach out to 184 primary schools and provide SIV to their students through a Government Outreach Team or a Public-Private-Partnership Team.

"Influenza can cause serious illnesses in high-risk individuals and even healthy persons. Given that vaccination is one of the most effective ways to prevent influenza and its complications, all persons aged 6 months or above, except those with known contraindications, are recommended to receive SIV for personal protection. Eligible groups of both the GVP and the VSS should receive SIV before the influenza season arrives," a spokesman for the CHP said.

Meanwhile, free/subsidised pneumococcal vaccination (PV) for eligible persons will continue to be provided under the GVP and the VSS to prevent pneumococcal infections. Those aged 65 or above who do not have high-risk conditions will be eligible for one dose of 23-valent polysaccharide pneumococcal vaccination (23vPPV). Elderly persons with high-risk conditions who have not received PV before will be eligible for one dose of 13-valent pneumococcal conjugate vaccine and one dose of 23vPPV one year later.

The public, especially eligible groups, may call the CHP's hotline (2125 2125) for enquiries during office hours or visit the [vaccination schemes page](#) for more information.