

Speech by FS at HKICPA CPA Congress 2023 (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Institute of Certified Public Accountants CPA Congress 2023 today (July 15):

Mr Shu Huihao (the Director General of the Accounting Regulatory Department of the Ministry of Finance, Mr Shu Huihao), Mr Wang Songmiao (the Secretary General of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region, Mr Wang Songmiao), President Asmâa Resmouki (the President of the International Federation of Accountants, Ms Asmâa Resmouki), President Loretta Fong (the President of the Hong Kong Institute of Certified Public Accountants, Ms Loretta Fong), distinguished guests, ladies and gentlemen,

Good morning. It is a great pleasure to be here at the CPA Congress 2023, which is also an occasion celebrating the 50th anniversary of the Hong Kong Institute of Certified Public Accountants (HKICPA), of which I am a proud member. It is an occasion for us to reflect on the past and to envision the future. To reflect on the past, so we can look at not just our achievements but also the lessons learnt. To look into the future, so that we can explore what and where the opportunities are, which directions and what actions we should take.

Let's take a look at where we stand. Our GDP per capita stands at over USD 49,000. We are an international financial centre (IFC): we are a leader in the equities market and the bond market. In particular, Hong Kong is a leading issuer of green and sustainable bonds in Asia.

At the same time, we have shortcomings in our economic structure – which is comparatively narrow. Financial services account for around 21 to 22 per cent of our GDP, but the sector only employs about 7 per cent of our labour force. Professional services and other producer services, including high value-added services, contribute to another 11 to 12 per cent of our GDP, and employ about 15 per cent of our population. Those who are in these two sectors may do well. For others, finding a job is not difficult, but they may not have the same income levels and upward mobility.

Hong Kong's achievements and success are premised on the "one country, two systems" arrangement which has made us unique. On the one hand, we have easy and convenient access to the Mainland market; on the other, we maintain the capitalist market system, continue to implement the common law system, allow the free flow of capital, talents, goods and data. With the staunch support from the Central Government, we have benefited tremendously from the rapid growth of the Mainland over the past four decades.

Going forward, where should we be heading for the future? We need to

look at some global mega trends. First, the centre of economic gravity is shifting from the West to East, with the rise of the Mainland and developing Asia together. Second, geopolitical tensions, particularly the Sino-US tensions, will continue to last in some time to come. Third, rapid technological advancements in the past decade and in the future have been, and will be, changing business models, ways of life, etc. Fourth, green transition of the society, including common actions to address climate change, the rise of new energy, etc. We must take these into account when we ponder our future development directions.

We also need to look at the mega trends that are taking place in our country. At the 20th National Congress of the Communist Party of China last October, as well as the Two Sessions in March this year, "high-quality development" is certainly the main theme. In a new era where our country is embarking on a new journey of high-quality development, our country focuses on technology and innovation, particularly high-level science-tech self-reliance; green transition; and supporting the development of the private sector economy. The global and national trends are converging and in many ways resonating with each other.

For those of us who are in Hong Kong, one of the key takeaways is that there will be tremendous needs for international capital, talents, expertise and participation in this great process, because our country continues to emphasise high-level two-way opening up in achieving the above.

Fellow accountants, let's also look at our unique strengths which I mentioned earlier, in particular the "one country, two systems" arrangement and the staunch support of the Central Government. With the mega trends that are emerging, and noting our own strengths and shortcomings, the way forward for us is clear – we need to capitalise on the opportunities offered by the fast and rapid growth of the Mainland, and at the same time diversify our economic structure.

In this connection, the country in the National 14th Five-Year Plan has given us the "eight centres" development directions. There are five international centres – in the areas of finance, trading, shipping, aviation, and innovation and technology; two regional ones, including the centre for legal and dispute resolution services in the Asia-Pacific region as well as regional intellectual property trading centre; and finally, East-meets-West centre for international cultural exchange. In envisioning our role, the country sees where our strengths lie.

For today's congress, let me narrow down my remarks on two areas. One is the international financial centre (IFC), and the other is innovation and technology. I believe these will be the dual major engines powering our economic growth in the coming decades.

On the IFC, apart from reinforcing the strengths in the traditional areas, including enhancing our equities market and fundraising platforms, we must embark on green and sustainable finance. In the pursuit of "3060" carbon emission targets, the funding demand of our country for the coming three

decades is estimated to be over USD 14 trillion.

And Hong Kong is uniquely placed to be the key financial link between the Mainland and the world. No city in the world can replace us. The continuous rise of our country will drive international investors to look to this part of the world for asset allocation. In this respect, Hong Kong will be the gateway and trusted platform.

Renminbi (RMB) internationalisation is another big trend. At the moment, in terms of cross-border trade settlement in SWIFT, RMB accounts for less than 3 per cent, while our country's share of the global trade stands at about 13 per cent. At the same time, RMB as a reserve currency also accounts for less than 3 per cent of the global total. With the significant room for RMB's use to grow, there would be huge opportunities for us as an offshore RMB hub, including investment products, risk management products, and infrastructure development.

For innovation and technology, or I&T, the Government has, since 2015, has put in a good amount of resources into developing the I&T sector – we have allocated more than \$200 billion thus far, and built quite a vibrant ecosystem. But this is not enough. Developing I&T has become the community's consensus for Hong Kong, and we want I&T to grow faster. You know, for I&T, we focus on a few areas for allocating our resources: artificial intelligence and data science, biotechnology and life science, financial technology, advanced manufacturing, new materials and new-energy technology.

To this end, we need tech companies, particularly large and leading tech companies. With these enterprises, we would be able to attract more talents, while at the same time create more quality employment opportunities for our people. That is why the Government of this term has set up the Office for Attracting Strategic Enterprises, and at the same time has set aside HK\$30 billion from our fiscal reserve to assist us in attracting enterprises – by co-investing in or with them. So far, we have been in touch with over 150 companies. I hope we will soon announce good news.

Of course, we also need to attract talents that could help us fill the talent gap and power our economic development.

Fellow members, when you consider your future career development or business directions, please consider the above development directions. Hong Kong has always been unique because of our international dimension, a window that helps our country to connect with the world. This window is where international capital, technology, talents and even data – which is crucial for the development of artificial intelligence – converge.

Here, perhaps I should mention two points in the Budget which I have envisioned in order to drive Hong Kong's high-quality development. One is to marry green technology and green finance, and position Hong Kong as the international green tech and green finance centre. These two would be mutually reinforcing and create a complete industry chain.

The other is Web3 development. Blockchain technology is something we

have to embrace. There have been risks associated with financial innovation in the Web3 space, but this rather highlights the need to put them in a proper regulatory framework. Under the principle of "same activity, same risk, and same regulation", we are working to facilitate its growth in a sustainable and responsible manner. This is a priority of the Government of this term as well.

Ladies and gentlemen, HKICPA has all along been working to the benefit of its Members by offering various training programmes and continuing education. I trust the Institute will continue to do its best to equip our CPAs to capture the many opportunities that our economic development will offer.

Thank you for having me this morning. Again, my heartiest congratulations to the Institute, the leadership and the management team, for a successful Congress and 50th anniversary celebrations, and to each and every one of you. I wish you good health and success in the future. Thank you very much.



Flag-lowering ceremony cancelled

Â Â Â Â Owing to the thunderstorm warning, the flag-lowering ceremony to be conducted at Golden Bauhinia Square, Wan Chai at 6pm today (July 15) will be cancelled.

Â Â Â Â If the thunderstorm warning is cancelled and weather conditions permit by then, the flag-lowering ceremony may be resumed without further notice.

Speech by CS at 21st Century Cup National English Speaking Competition Hong Kong Region Awards Ceremony 2023 (English only) (with photo)

Following is the speech by the Chief Secretary for Administration, Mr Chan Kwok-ki, at the 21st Century Cup National English Speaking Competition Hong Kong Region Awards Ceremony 2023 today (July 15):

Mr Wang Weiming (Director-General, Department of Educational, Scientific and Technological Affairs, Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR)), Mr Sun Zhaomin (Deputy Director-General, Department of Publicity, Cultural and Sports Affairs, Liaison Office of the Central People's Government in the HKSAR), Mr Song Lai (Deputy Director-General, Department of Youth Affairs, Liaison Office of the Central People's Government in the HKSAR), Mr Huang Jingrui (Political Counselor, Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR), Mr Zhou Li (Deputy Editor-in-Chief, China Daily Group; Publisher and Editor-in-Chief, China Daily Asia-Pacific), teachers, parents, students, ladies and gentlemen,

Good afternoon. It gives me great pleasure to join you all today for the awards ceremony of the 21st Century Cup National English Speaking Competition – Hong Kong Region.

It is exciting to see so many talented young people here – at every level of our education system – from primary and secondary school to university undergraduates. And, for the first time, this year's competition features a kindergarten category, open to all Hong Kong kindergartens.

Each and every one of these students – of you – has a passion for public speaking. And you are not alone.

This year's competition attracted more than 3 000 students from over 200 schools. That is the largest number of entries since Hong Kong first took part in this renowned national contest six years ago.

To date, more than 10 000 Hong Kong students have participated in the 21st Century Cup, I am happy to say.

The champion of the university category will represent Hong Kong in the National Grand Final later this year. The Hong Kong winner will compete with hundreds of brilliant speakers from across the Mainland.

Our university champion will have plenty of company too. That is because our primary and secondary school category winners will be there, at the Grand

Final, as well. They will take part in a National English-Speaking Exchange Programme, a highlight event of the Grand Final.

The Grand Final, together with the Exchange Programme, will enable Hong Kong students to gain valuable experience in public speaking. No less important, they will meet other bright young people shaping the future of our motherland. They will also have a welcome opportunity to tell the good stories of Hong Kong.

For that, and much more, my thanks to the organisers, China Daily Hong Kong and VDO English. Allow me to thank, as well, all the schools, teachers, judges and countless supporters who have devoted their time and energy to making this public speaking event a success.

On the part of the HKSAR Government, we are determined to implement at full steam the Youth Development Blueprint launched last December.

In particular, upon resumption of normal travel between Hong Kong and the rest of the world early this year, a number of internship and exchange activities outside Hong Kong are being arranged one after another. In the year 2023-24, the Home and Youth Affairs Bureau of our Government has pulled together over 41 000 places under a wide range of internship and exchange programmes, with details all available at the one-stop online portal of the Youth Development Commission.

It is my belief, as the Chinese proverb goes, that a journey of a thousand miles begins with a single step (千里之行，始于足下). And I encourage Hong Kong youth to cherish these internship and exchange opportunities to widen their horizons and realise their potential.

My congratulations to this year's winning students and finalists. Your future looks just bright. After all, our city's unique advantage is "one country, two systems", which brings a world of people and businesses alike together for mutually rewarding opportunities. And that can only be realised through clear and compelling communication.

On that note, I wish you all every success, and good health, in the year to come. Thank you very much.



HAD opens temporary heat shelters

The Home Affairs Department will continue to open 19 community halls/community centres as temporary heat shelters today (July 15).

The temporary heat shelters will remain open for people to take refuge from the heat when the Very Hot Weather Warning is in force. From 10.30pm to 8am the next day, the temporary heat shelters will also provide bedding and a sleeping place for people in need. The shelters are manned by duty attendants.

For further information, please call the department's hotline before midnight on 2572 8427.

The heat shelters are located at:

Hong Kong Island:

Central and Western –
Sai Ying Pun Community Complex Community Hall
3/F, Sai Ying Pun Community Complex
2 High Street, Sai Ying Pun

Eastern –
Causeway Bay Community Centre
3/F, 7 Fook Yum Road, Causeway Bay

Southern –
Wah Kwai Community Centre
Wah Kwai Estate, Kellett Bay

Wan Chai –
Wan Chai Activities Centre
LG/F, Wan Chai Market, 258 Queen's Road East, Wan Chai

Kowloon Districts:

Kowloon City –
Hung Hom Community Hall
1/F, Kowloon City Government Offices
42 Bailey Street, Hung Hom

Kwun Tong –
Lam Tin (West) Estate Community Centre
71 Kai Tin Road, Lam Tin

Sham Shui Po –
Shek Kip Mei Community Hall
G/F, Block 42, Shek Kip Mei Estate, Sham Shui Po

Wong Tai Sin –
Tsz Wan Shan (South) Estate Community Centre
45 Wan Wah Street, Tsz Wan Shan

Yau Tsim Mong –
Henry G Leong Yaumatei Community Centre
60 Public Square Street, Yau Ma Tei

New Territories Districts:

Islands –
Tung Chung Community Hall
G/F, Tung Chung Municipal Services Building, 39 Man Tung Road, Tung Chung

Kwai Tsing –
Kwai Shing Community Hall
Podium, Block 6, Kwai Shing West Estate, Kwai Chung

North –
Cheung Wah Community Hall
Cheung Wah Estate, Fanling

Sai Kung –
Hang Hau Community Hall
G/F, Sai Kung Tseung Kwan O Government Complex, 38 Pui Shing Road, Hang Hau,
Tseung Kwan O

Sha Tin –
Lung Hang Estate Community Centre
Lung Hang Estate, Sha Tin

Tai Po –
Tai Po Community Centre
2 Heung Sze Wui Street, Tai Po

Tsuen Wan –
Lei Muk Shue Community Hall
G/F, Hong Shue House, Lei Muk Shue Estate, Tsuen Wan

Tuen Mun –
Butterfly Bay Community Centre
Butterfly Estate (near Tip Sum House), Tuen Mun

Yuen Long –
Long Ping Community Hall

Long Ping Estate, Yuen Long

Yuen Long –
Tin Yiu Community Centre
Tin Yiu Estate, Tin Shui Wai

In addition to the above heat shelters, a number of community halls/community centres can also be used for taking refuge from the heat during their operating hours. For their address details, please browse the following

document: www.had.gov.hk/file_manager/en/documents/public_services/emergency_services/List_CH_CC_Day_E.pdf.

Health risk category for Air Quality Health Index may reach "Serious" Level

The Environmental Protection Department (EPD) has recorded higher than normal air pollution levels since this morning (July 15). According to EPD's forecast, it is expected that the Air Quality Health Index (AQHI) at some air quality monitoring stations may reach the "Very High" or "Serious" level later today.

Under the influence of the outer subsiding air of the tropical cyclone near Luzon, the weather in Hong Kong today is generally fine and extremely hot. Light wind is unfavorable for pollutant dispersion. The intense sunshine enhances photochemical smog activity leading to rapid formation of ozone and fine particulates in the Pearl River Delta region. The high ozone level also promotes the formation of nitrogen dioxide.

According to the Hong Kong Observatory, the tropical cyclone will intensify gradually in the next couple of days, bringing squally showers and thunderstorms. It is expected that air quality levels will improve by then.

With a health risk category in the "Very High" range or above, children, the elderly and persons with existing heart or respiratory illnesses are advised to reduce physical exertion and outdoor activities to a minimum or avoid such activities. The general public is advised to reduce, or reduce to a minimum, outdoor physical exertion, and to reduce time outdoors, especially in areas with heavy traffic. As health effects of air pollutants may vary for individuals, persons who are in doubt or experience discomfort should seek advice from health-care professionals. The public may visit the Centre for Health Protection's website (www.chp.gov.hk/en/content/9/460/3557.html) for more information on health effects of air pollution and relevant health advice.

The Education Bureau (EDB) urges all schools to visit the EDB website for appropriate measures to safeguard students' health and take note of changes in the index. The relevant hyperlink is as follows:
www.edb.gov.hk/en/sch-admin/admin/about-activities/sch-activities-guidelines/index.html .

When AQHI is at the "Very High" level, employers of outdoor workers performing heavy manual work are advised to assess the risk of outdoor work and take appropriate preventive measures to protect the health of their employees, such as reducing outdoor physical exertion and the time of their stay outdoors, especially in areas with heavy traffic. At the "Serious" level, employers of all outdoor workers are advised to assess the risk of outdoor work and take appropriate preventive measures to protect the health of their employees.

Members of the public can check the current AQHI readings at the EPD's website (www.aqhi.gov.hk/en.html) or by calling the hotline 2827 8541.