

SCED speaks on business mission to Thailand (English only)

Following is the transcript of remarks made by the Secretary for Commerce and Economic Development, Mr Edward Yau, at a media session at a business seminar cum networking luncheon in Bangkok, Thailand, today (November 28):

Reporter: We heard that Dr Somkid (Deputy Prime Minister of Thailand, Dr Somkid Jatusripitak) said the Hong Kong investors are interested in investing in Thailand. What do you see as a unique standpoint? Why are you guys interested in Thailand when there are also other options like Singapore or other countries?

Secretary for Commerce and Economic Development: Currently Thailand is one of the top three trading partners within ASEAN (Association of Southeast Asian Nations) with Hong Kong. I would echo what the Deputy Prime Minister (DPM) said that Hong Kong-Thailand economic relation is built on a very solid and long-time history with a lot of demonstrated success. It is one of the most welcome platforms because there is a long history of success. Hong Kong investors have been major partners in this Hong Kong-Thailand relation. This is also strengthened with the conclusion and recently a very rapid implementation of the Hong Kong-ASEAN Free Trade Agreement. Thailand is among the first to put it into implementation. It is also strengthened by the government-to-government connection we have built under the leadership of the Thai Government.

The coming of this big delegation, over 50 business leaders from a very wide cross-section over a dozen sectors, also speaks for itself. All these 50 delegates are wearing different hats. On the one hand, they are the leaders of business chambers or professional bodies, but at the same time they are also successful investors in this part of the world. It is the mix that demonstrates the breadth and depth of the future Hong Kong-Thailand relation, because they are not here just for real estate, hotel or tourism. We have a large number of professionals in this group, from lawyers, arbitrators, mediators, accountants, insurers, architects to infrastructural management firms, with both Hong Kong origin or international firms based in Hong Kong. We also bring a group of young start-ups who are highly international because among around 3,200 start-ups in Hong Kong, one-third of them actually come from outside Hong Kong. And once the technology has been put into commercialisation, their target is not just Hong Kong, but clearly the region and the globe. The last group, which DPM also mentioned, is the creative industries. We have strong admiration of the Thai design and authenticity, which will be a very new inspiration for global business. So the creative industries that Hong Kong has heavily invested in recent years bring new opportunities for our young designers and creative industries practitioners to join hands. I believe Thailand and Hong Kong could be very good partners in years to come.

Reporter: Is there any particular sector that the Hong Kong investors are interested in Thailand?

Secretary for Commerce and Economic Development: I think from all the questions that people raised here, they are looking at not just Thailand, but Thailand in the centre of ASEAN, or in your concept, the CLMVT (Cambodia, Laos, Myanmar, Vietnam and Thailand). Thailand is the gateway into this fast-growing area with a lot of certainty and stability. Businessmen, irrespective what sectors they are in, look for safe, secure and trusted partners, which I think they have a lot of confidence in here over the years. And the free trade agreement entered between Hong Kong and ASEAN and the investment promotion and protection agreement give them the legal-binding certainty and stability, so they feel more comfortable. At the same time, I think we are also a two-way street. While bringing business both from Hong Kong and Mainland here, we are also providing an avenue for Thai business to come through Hong Kong to Mainland China, in particular the Greater Bay Area that the DPM mentioned. There are a lot of similarities between the neighbourhood hinterland that Thailand shared, which is the CLMVT, and the Greater Bay Area next to Hong Kong, which has a population of 70 million on a high income level and also with an aggregated GDP comparable to the size of a medium-sized country and highly complementary to Hong Kong. So this two-way street between the two entry points and the two hinterlands are highly complementary. I think that's what the businessmen in Hong Kong are looking for.

Reporter: I know it might be too early to ask, but for the high-level meeting tomorrow, what are your expectations?

Secretary for Commerce and Economic Development: I think the leaders' meeting tomorrow will mark a new milestone. In the last two years with the negotiation, conclusion and implementation of our free trade agreement with ASEAN, we have already established a very strong platform. The opening of the Hong Kong Economic and Trade Office in Bangkok also provides us with a foothold here. The leaders' meeting tomorrow will bring Hong Kong-Thailand relationship into a new chapter. Hopefully, the new memorandum of understanding would provide pointers to areas that we can mutually explore and with benefits to be shared. It will cover a wide spectrum of things on trade and commerce, investments and finance, which is more traditional. It will provide strong impetus for more professional services to come and help businessmen on both sides. It will also open new chapters on things I talked about, the creative industries, the film industry and other new areas like I&T (innovation and technology) or digital world. I hope this will mark a new milestone on the collaboration between Hong Kong and Thailand.

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[Financial Leaders Forum convenes 10th meeting](#)

The Financial Leaders Forum (FLF), chaired by the Financial Secretary, Mr Paul Chan, held its 10th meeting today (November 28).

Members were first briefed by the Hong Kong Monetary Authority (HKMA) on the development of virtual banking in Hong Kong. They noted that eight virtual banks were granted licenses by the HKMA in the first half of 2019 and they planned to launch banking products and services in phases. Members agreed that development of virtual banking in Hong Kong would help accelerate fintech development, improve customer experience and promote financial inclusion. The HKMA will continue to facilitate the development of virtual banking in Hong Kong while ensuring robust supervision to maintain overall stability and effective operation of the banking system.

Members were also briefed on the development of Hong Kong as a premier fund hub. Members noted the Government's multi-pronged approach to sharpen Hong Kong's competitive edge in the asset and wealth management sector, including diversifying Hong Kong's fund structures, attracting family offices, providing a facilitating tax environment and expanding the fund distribution network. Concerted efforts by the Government and financial regulators would be made to enhance overseas promotion and ensure effective implementation of the various fund-related initiatives.

In addition, members were briefed on the work of the Government and financial regulators in maintaining the financial stability of Hong Kong. They noted that different facets of Hong Kong's financial system have been functioning smoothly and in an orderly manner so far amidst challenges in the global, regional and local environment. The Government and financial regulators have implemented a number of resilience measures and conducted stress tests to strengthen the capacity of the financial system in withstanding shocks. The Government and financial regulators would continue to stay alert and closely monitor the market situation.

[Employer and operator fined for violation of safety legislation](#)

Yick Kam Trading Limited and a reach stacker operator were fined \$100,000 and \$16,000 respectively at Tuen Mun Magistrates' Courts today (November 28) for violation of the Factories and Industrial Undertakings Ordinance. The prosecutions were launched by the Labour Department.

The case involved a fatal accident that occurred on April 3, 2019, at a container terminal in Tuen Mun. While a worker was walking past a vehicle access in the container terminal, she was struck by a reversing reach stacker and died.

Enhanced funding arrangements for Technology Voucher Programme announced

The Innovation and Technology Commission (ITC) today (November 28) announced the arrangements for disbursing partial funding in advance for projects funded by the Technology Voucher Programme (TVP). The arrangements are part of the measures to support enterprises as announced by the Financial Secretary in mid-August, aiming to ease the funding problems faced by small and medium-sized enterprises and start-ups when they start projects.

Under the new arrangements, the ITC will disburse an initial payment of up to 25 per cent of the approved funding amount in advance upon request by the applicant after signing the funding agreement with the applicant, subject to funding contribution of the same percentage by the applicant on a matching basis. The remaining funding will be disbursed upon the ITC's acceptance of the applicant's project completion report.

The new arrangements will be applicable to applications received by the ITC from December 1, 2019.

Under the Innovation and Technology Fund, the TVP subsidises local enterprises and organisations on a 2 (Government):1 (enterprise or organisation) matching basis to use technological services and solutions to improve productivity, or upgrade or transform business processes in order to enhance their competitiveness. For each enterprise or organisation, the funding ceiling is \$400,000. Further information is available on the TVP website (tvp.itf.gov.hk). For enquiries, please contact the TVP Secretariat (Tel: 3523 1170; email: tvp-enquiry@itc.gov.hk).