

Opening remarks by SCED at Policy Dialogue session at Ninth Belt and Road Summit (English only)

Following are the opening remarks by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the Policy Dialogue session on Multilateral Co-operation for an Interconnected World of the Ninth Belt and Road Summit today (September 11):

Dear ministers, ladies and gentlemen,

Welcome to the Ninth Belt and Road Summit. At today's Policy Dialogue session, we have the honour to have His Excellency the Secretary of State of the Ministry of Commerce of Cambodia, Mr Piseth (Mr Lim Lork Piseth); His Excellency Deputy Co-ordinating Minister of Maritime Affairs and Investment in Infrastructure and Transportation of Indonesia, Mr Kaimuddin (Mr Rachmat Kaimuddin); and His Excellency Vice-Minister of National Economy of The Republic of Kazakhstan, Mr Kassenov (Mr Arman Kassenov). We are privileged to have policy makers from various countries on stage to share with us their insights on the opportunities available through multilateral co-operation across regions.

We are honoured to have about 6 000 participants here at this Summit, all gathered here to explore Belt and Road opportunities and to promote friendship. This is only made possible because we embrace multilateral co-operation and the shaping of an interconnected world. And this aligns with the vision of the Belt and Road Initiative, that is, to help build a global community of a shared future and shared value. All of you participating here are part of this community.

Solid achievements through multilateral co-operation

Over the past 10 years, many solid achievements of the Belt and Road Initiative have proven that transnational efforts can accelerate high-quality development through three key types of connectivity: "hard connectivity" in infrastructure, "soft connectivity" in trade and financial integration, and for people-to-people bond, the "connectivity of hearts".

On "hard connectivity", the development of multi-tiered and multi-dimensional infrastructure network over land, sea and air has been significantly boosting trade and people exchanges. For example, the China-Europe freight train service network currently reaches over 220 cities in Europe and connects over more than 100 cities in Asia. The Jakarta-Bandung High-Speed Rail has cut short the journey between the two places from more than three hours to around 40 minutes, I was there last time and testing the train, and served over 4 million passengers in its first nine months of operation.

On "soft connectivity", the Initiative is opening up more business opportunities by reducing trade barriers and promoting financial integration. Multiple trade and investment platforms, such as this Summit, are out there to encourage multilateral co-operation. International financial institutions and funds such as the New Development Bank, the Asian Infrastructure Investment Bank and the Silk Road Fund are also prioritising to invest sustainably in Belt and Road projects that bring shared economic and social benefits. The World Bank estimates that by 2030, the Belt and Road Initiative will be generating US\$1.6 trillion in annual global revenues.

On people-to-people bond, or the "connectivity of hearts", the Initiative has brought about closer cultural exchanges in the global community. Apart from that, inter-region academic exchanges have nurtured more future talent along the Belt and Road to drive high-quality development for the whole world. Actually, many young people from the Belt and Road countries are now studying in Hong Kong as well. In our policy, after they graduate from the universities here, they can stay behind for two years to look for career development. After their experience in Hong Kong, they can really bring it back to their countries. The bonding between these young people is very important for our future. We very much encourage the Belt and Road countries to participate in student exchanges between Hong Kong and their countries as well. The Luban Workshops helped around 30 countries train up tens of thousands of technical personnel in areas such as industrial robots, new energy, artificial intelligence, civil engineering and medical knowledge. We can see this kind of people-to-people bond is very important not just for the hearts but also for the economic development in our countries, places and economies for the long-term development. It should be our vision.

All these examples told us one thing – international co-operation is the key to advancements in economic and social development. Through the Belt and Road Initiative, we are all interconnected to create a shared future for our common prosperity.

Hong Kong's role as a premier Belt and Road functional platform

Hong Kong is a premier Belt and Road functional platform and a "super value-adder", and actually, it's a gateway for connecting Mainland China (with the world) through the door in Hong Kong. As an international city and one of the freest economies in the world, we are facilitating multilateral co-operation through our top-tier professional services in different areas and on various fronts.

As a two-way gateway and a multinational supply chain management centre, Hong Kong is also adding value through comprehensive support services such as consulting, trade financing, insurance, legal services, certification and corporate training. As an international aviation hub, our airport handled 4.3 million tonnes of cargo last year, and has been ranked first in international air cargo throughput for almost all of the past 13 years. Actually, Hong Kong as an aviation hub, within five hours of flying time, it covers half of the

world's population. In terms of maritime, Hong Kong's ports have over 300 international container vessel sailings to nearly 500 destinations worldwide per week.

As an international trade centre, we are a staunch supporter of free trade and an active player in international trade co-operation. Under the "one country, two systems" principle, Hong Kong is an individual member in both the World Trade Organization and the Asia-Pacific Economic Cooperation (APEC). To date, we have signed eight free trade agreements with 20 economies and 24 investment promotion and protection agreements with 33 economies. We are planning to enter into a free trade agreement with Peru later this year. Peru is the host country of APEC for 2024. I visited there already, and I will go again in November seeing other ministers and attend the meeting. We will continue to actively seek accession to the Regional Comprehensive Economic Partnership as also mentioned by the Chief Executive in his keynote speech.

As an international financial centre, Hong Kong is contributing as a green finance hub. In the past three years, the average annual green and sustainable bonds issued in Hong Kong reached over US\$60 billion, with the relevant bonds accounting for around one-third of the Asian market. Belt and Road countries are welcome to explore with us as an international financial centre on how to channel capital to support green transition. Additionally, we are developing our carbon marketplace Core Climate, which offers Renminbi and Hong Kong dollar settlements for trading of international voluntary carbon credits.

As an international innovation and technology centre, Hong Kong stands ready to add new value for our Belt and Road partners on innovation. We house five of the world's top 100 universities. Under our flagship research and development initiative, InnoHK, a total of 29 research laboratories have been set up by 30 world-renowned universities and research institutes. The development of the Northern Metropolis is also very important for our future innovation and technology development. Hong Kong is also supported by our intellectual property regime, and we are providing incentives, such as a low tax rate of only 5 per cent on eligible out-licencing income, to facilitate commercialisation of intellectual property taking place along the Belt and Road.

Ladies and gentlemen, we are making progress towards our goal of building an interconnected, innovative and green Belt and Road, and there are many opportunities ahead for multilateral co-operation to shape an interconnected world for shared benefits in the next golden decade of the Belt and Road. Without further ado, may I turn to our honourable guests on stage, and invite them to share their insights on this very important topic. Thank you.