

Speech by CE at 2021 Hong Kong Forum on US-China Relations (English only) (with photo/video)

Following is the video speech by the Chief Executive, Mrs Carrie Lam, at 2021 Hong Kong Forum on US-China Relations today (January 26):

The Honourable Mr C H Tung, ladies and gentlemen,

Good morning. It gives me great pleasure to be invited by Mr Tung, Chairman of the China–United States Exchange Foundation, to extend a virtual welcome to all distinguished guests attending the Hong Kong Forum on US–China Relations. I wish to congratulate the Foundation for organising this Forum to explore and predict Sino–US relations at the very timely occasion, that is, literally within days of the inauguration of a new US administration under President Joe Biden. Indeed, I believe all eyes are now watching closely the development of Sino–US relations in the President’s first 100 days. In a rather unprecedented way, the Hong Kong Special Administrative Region (HKSAR) Government is amongst those watchers, and I will tell you why in a moment.

Before we look into the future, let's review the past since I spoke to guests attending the Forum held here in Hong Kong in July 2019, during a dinner I hosted at Government House. Our city was then facing the most severe social unrest in recent Hong Kong history ignited by opposition to a Government legislative proposal on the return of fugitive offenders, but in terms of relations between China and the US, it was then a moment of hope. The July 2019 Forum coincided with the 40th anniversary of the establishment of diplomatic relations between China and the US. And, just 10 days prior to the Forum, at the Group of 20 Summit in Osaka, President Trump and President Xi had agreed to resume talks after a year-long trade war started and stoked by the US.

Regrettably, the pause and the promise of resuming talks did not last. Indeed, over the past 18 months, ties between China and the US have sharply deteriorated and the causes of such deterioration have gone well beyond trade and investment. That, ladies and gentlemen, is a reality as lamentable as it is harmful, both to bilateral relations between the world's two largest economies, and to global economic growth.

Equally lamentable if not outright resentful is the unilateral action taken by the former US administration against Hong Kong during that period. Those totally unjustified actions, or sanctions on the HKSAR Government, businesses and individuals were imposed under the so called "Hong Kong Autonomy Act" and the former President's Executive Order.

The former US administration tried to justify its actions by referring to the enactment and implementation of the National Security Law in Hong Kong

in June last year. Such argument cannot stand up to scrutiny.

It is the legitimate right and duty of every state to safeguard its national security. Hong Kong is a special administrative region of China with a high degree of autonomy under the "One Country, Two Systems" principle. Given the extreme social unrest and violence that overwhelmed Hong Kong in 2019, the enactment of the National Security Law by the Central Authorities was both necessary and rational.

What's more, the Law is clear and entirely focused on four types of acts and activities that can seriously endanger national security. It contains specific provisions upholding Hong Kong people's rights and freedoms. It also provides for important principles of the rule of law, including the presumption of innocence, the prohibition of double jeopardy, and the right to a fair trial. These important features have put our National Security Law on par with, if not superior to, similar national security laws in other jurisdictions, including the US.

As a matter of fact, since implementation of the National Security Law, street violence which had haunted Hong Kong people for months since June 2019 have subsided and stability restored. Such a stable environment is vitally important to the prosperity of Hong Kong and the business activities of both local and overseas enterprises here. I hope the new US administration will view the National Security Law in Hong Kong in a fair manner. Meanwhile, I and my 11 senior colleagues who have been sanctioned will not be intimidated. We will continue to steadfastly, dutifully and lawfully carry out our duties to safeguard our Country's national sovereignty, unity and territorial integrity.

Like the Forum in July 2019, here we are today, at another timely China–United States Exchange Foundation Forum embracing a glimpse of hope. We are here to weigh the potential of another promising moment, for China and the US, for Hong Kong and for the world at large. With Mr Biden becoming the 46th President of the US, we hope that bilateral relations between the world's two leading economies will start to improve, providing the impetus for global recovery.

President Xi Jinping has made our country's position clear. In his congratulatory message to President Biden, President Xi said that he "hoped the two sides would uphold the spirit of non-conflict, non-confrontation, mutual respect and win-win co-operation," that they would "join hands with other countries and the international community to promote the noble cause of world peace and development."

And I am glad to note that President Biden, in his inauguration address, seemed to echo President Xi's sentiments, at least in terms of the importance of international co-operation. President Biden mentioned that the US will "engage with the world once again. Not to meet yesterday's challenges, but today's and tomorrow's." He added that the US "will be a strong and trusted partner for peace, progress and security."

We all hope that President Biden will soon turn his words into deeds. In this regard, I am sure many governments around the world are relieved to hear that the new US administration will re-engage with the World Health Organization, that it will join the Covax vaccine programme to help stem the spread of COVID-19 and fast-track the availability of the new vaccines to the wider world. For the environmentalists, the new US administration's decision to rejoin the Paris climate accord will indeed be a piece of good news to kick start the new year.

Hong Kong has long been a gateway between Mainland China and the world. Instead of being caught in the geopolitical tensions between nations, and notably between China and the US, we hope to play a constructive role leveraging on our unique advantages under "One Country, Two Systems". Indeed, Hong Kong and the US have enjoyed longstanding success in business, trade and finance. In 2019, our bilateral merchandise trade reached US\$66 billion. Let me add that the US trade surplus that year amounted to more than US\$26 billion – the highest among the US' many trading partners. Take in the decade between 2010 and 2019, America's cumulative merchandise trade surplus over Hong Kong was at an awesome US\$310 billion.

On financial services, US banks, insurers, private equity firms are a major player in Hong Kong's financial sector which accounts for over 20 per cent of our GDP; they stand to benefit considerably from Hong Kong's participation in the continuous reform and opening up of the Mainland capital markets. Thus, both in trade and investment and finance, Hong Kong is a highly valuable business bridge between China and the US.

The American Chamber of Commerce in Hong Kong is our largest international chamber. That's not surprising, given that nearly 1 300 US companies are based in Hong Kong. And more than 280 of them keep their regional headquarters here. Our people-to-people bonds are equally strong. Hong Kong is home to 85 000 US citizens. We welcome US businesses and individuals to continue contributing to and benefiting from Hong Kong's many promising prospects.

Indeed, with stability restored, I paid a trip to Beijing, Guangzhou and Shenzhen last November to discuss further measures to support Hong Kong's integration into the national development. I have subsequently outlined in my 2020 Policy Address a series of initiatives to inject new impetus to Hong Kong's economy. I am confident that once the COVID-19 pandemic has finally been brought under control, there will be enormous opportunities for us to seize.

With remarkable efforts in controlling the pandemic, China has already regained economic growth, being the only major economy to show real growth in 2020. With our unique advantages under "One Country, Two Systems", Hong Kong is set to benefit from our country's development. The Guangdong-Hong Kong-Macao Greater Bay Area will be an excellent entry point. The Greater Bay Area comprises Hong Kong, Macao, and nine cities in Guangdong, with Shenzhen and Guangzhou the core engines for development alongside Hong Kong and Macao. Boasting a population of some 72 million, a combined GDP larger than

Australia and a per capita GDP of US\$23,000, the Greater Bay Area looks to rise as one of the world's strongest regional economy, particularly as an innovation and technology hub. Beyond innovation and technology, Hong Kong will drive financial services for the region, given our longstanding strengths in financial services, our ability to bridge East and West and the unmatched depth and quality of our professional services.

In short, I believe that Hong Kong's future is bright, but we need to have a stable global and local environment for us to thrive. That brings me back to today's forum: healthy China-US relations are important to the world in many ways, and that can only be achieved through constructive dialogue at all levels. Today's forum provides an excellent platform for such dialogue, and I congratulate the China-United States Exchange Foundation for bringing together so many insightful leaders from around the world to exchange views on how to promote China-US relations, and how to make the world a better place for us all.

I wish you all a very fruitful forum, and as I have promised Mr Tung, I look forward to again hosting a dinner at Government House for guests at the next Forum in my capacity as Chief Executive of the HKSAR. As we are approaching the Year of the Ox, may I wish you all an industrious and rewarding year ahead. Thank you.

