

Speech by CE at BritCham Greater Bay Area Summit (English only) (with photo/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the British Chamber of Commerce in Hong Kong (BritCham) Greater Bay Area Summit today (June 17):

Peter (Chairman of the BritCham, Mr Peter Burnett), ladies and gentlemen, members of BritCham,

Good morning. It is a pleasure to speak to you today at this Greater Bay Area Summit. My thanks to the British Chamber of Commerce in Hong Kong for organising this event, putting the spotlight on the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) which, in my view, will map Hong Kong's future development, providing abundant opportunities for businesses and individuals. To seize these opportunities, the HKSAR Government needs the enthusiasm, support and participation of our local and international business chambers and the community at large.

BritCham is among Hong Kong's biggest and most active chambers of commerce, with some 1 000 members ranging from start-ups and SMEs (small and medium enterprises) to major multinationals. Many of your members have enjoyed a long and rewarding relationship with Hong Kong – many of you have grown your business and raised your family here. While some of you might have been bothered by anxiety and uncertainties relating to events over the past two years, I wish to illustrate to you in the next 10 minutes or so that there is now good reason for optimism in Hong Kong.

First of all, Hong Kong will emerge stronger as a result of two important decisions made by the National People's Congress over the past year to safeguard implementation of the "One Country, Two Systems" principle in Hong Kong, namely the enactment of the national security law and its promulgation for implementation in Hong Kong last June and amendments to Annex I and Annex II of the Basic Law on Hong Kong's electoral arrangements. Both decisions are constitutional, legitimate, necessary and timely.

Not surprisingly, these decisive acts of the Central Government have drawn a plethora of defamatory remarks and malicious attacks from some foreign governments, politicians and the western media. Adopting their usual tactics, they have demonised the acts of safeguarding national security as a clamp-down on individuals' rights and freedoms and improvements to the electoral system as a retrogression in democracy. In so doing, I am afraid they are turning a blind eye to the chaos, vandalism and personal danger suffered by Hong Kong people for almost one full year since June 2019; they have glorified violence and extremism as "fighting for democracy" and they have ignored the political radicalisation that had paralysed the Hong Kong

legislature, and in turn undermined the HKSAR's governance.

Implementation of the national security law has halted chaos and restored order in Hong Kong; Hong Kong people can once again enjoy their rights and freedoms. The Hong Kong Police is enforcing the law and the courts of Hong Kong, including the Court of Final Appeal, are adjudicating national security cases without any interference. With LegCo approval of the necessary local legislation last month, preparation is in hand for conducting the coming public elections in accordance with the law to put into practice the principle of "patriots administering Hong Kong". Important constituents in Hong Kong's political system will be served by people who will uphold the principle of "One Country, Two Systems" and through its broad representation and balanced participation, have Hong Kong's overall interest at heart. I have no doubt that the 9 000 overseas and Mainland enterprises based in Hong Kong, with 44 per cent using Hong Kong as their regional headquarters or regional offices, are attracted by the framework of "One Country, Two Systems" including the high degree of autonomy. In this regard, this bedrock of faith and confidence in Hong Kong is now much strengthened.

Secondly, Hong Kong's past success and future also lies in our city's uniqueness and strengths, many of which are guaranteed under the Basic Law. They include the rule of law, the independent judiciary, the free flow of capital, the freely convertible currency, the fundamental rights of the residents, the free flow of information and proximity to the world's second largest economy and strategic geographical location in a fast-growing Asia. With these competitive advantages which have not been tainted, Hong Kong's economy will do well, particularly when we strive for greater integration into the Mainland economy, seizing the many opportunities in the GBA, and beyond.

Thirdly, in the Nation's 14th Five-Year Plan promulgated in March this year, the Central Government's support for Hong Kong has gone far beyond those traditional economic areas. Apart from reinforcing support for Hong Kong as an international financial, trade and transportation centre and a centre for international legal and dispute resolution services in the Asia-Pacific region, the country will support Hong Kong to develop an international innovation and technology hub, an international aviation hub, an East-meets-West hub for international arts and cultural exchanges and a regional intellectual property trading hub. These, what I call the "4+4" diversified economic landscape, will create abundant opportunities for growth. I am pleased to note from the programme of today's GBA Summit that BritCham has covered some of these areas and several of my colleagues will speak on their respective subjects.

Let me now share with you how Hong Kong will benefit from the Guangdong-Hong Kong-Macao Greater Bay Area, one of the fastest-growing regional economies in China and in the world. With a total population of 72 million and a combined GDP of around US\$1.7 trillion, the GBA will bring abundant development opportunities to different sectors of the community. Hong Kong is well-positioned to play a key role and progress has been made since the approval of the GBA Outline Development Plan in February 2019. Peter has just

underlined the importance attached to Hong Kong in the GBA by inviting Hong Kong to host the launching of the Outline Development Plan in February 2019. I should add that if you notice almost on every occasion when the GBA Leading Group chaired by Vice Premier Han Zheng held its meeting, the Chief Executive of the HKSAR was the one asked to come out and speak to the media.

As we all know, the GBA is conceived, planned and propelled by President Xi Jinping himself. Overseen by a Leading Group led by Vice Premier Han Zheng, of which I am a member, all relevant ministries and commissions are represented at a senior level to ensure that decisions are made and implemented effectively. Our leaders have repeatedly stressed that the Greater Bay Area, with the two special administrative regions, is aimed at enriching the implementation of "One Country, Two Systems", utilising the systemic strengths of Hong Kong and Macao, and building a new system of an open economy. In my experience in the past two years, we are never inhibited from coming up with innovative ideas on how to achieve these objectives, particularly in terms of facilitating the flow of people, goods, capital and information between Hong Kong, Macao and the nine Greater Bay Area Mainland cities. Measures that have been introduced include tax concessions, support for young entrepreneurs, cross-boundary remittance of state and provincial R&D (research and development) funding, increased market access for legal and construction services, and more recently, allowing Hong Kong-registered drugs and common medical devices to be used in designated, Hong Kong-owned healthcare institutions in the Mainland cities of the Greater Bay Area.

In pursuing high-quality development in the Greater Bay Area, the 14th Five-Year Plan singles out the expansion of mutual access between the financial markets of Hong Kong and the Mainland, the strengthening of co-operation between Hong Kong and the Mainland in commerce and trade, in innovation and technology and in other key sectors. The Plan also adds the Shenzhen-Hong Kong Loop as one of the major co-operation platforms in the Greater Bay Area, along with Guangzhou Nansha, Shenzhen Qianhai and Zhuhai Hengqin.

In the near future, we can look forward to the launching of Wealth Management Connect, which will allow residents in Hong Kong, Macao and the nine Mainland cities of the Greater Bay Area to make cross-border investment in wealth-management products. We are as well looking forward to the early implementation of the Southbound Bond Connect, which will allow Mainland investors to access the international bond market via Hong Kong. As for insurance, we are working to establish after-sales service centres in the Mainland cities of the Greater Bay Area. These would offer comprehensive support to Hong Kong and Macao, and the Mainland residents holding Hong Kong policies.

Innovation and technology (I&T) will drive the Greater Bay Area's success, and Hong Kong is well-positioned to play a central role in the region's rise as an I&T hub. Hong Kong is much blessed with strong basic research in our world-class universities, five of which are amongst the world's top 100, and the Government's unprecedented investment of HK\$110 billion in I&T during my term is beginning to bear fruit. Coupled with our

market-oriented economy, intellectual property (IP) rights protection, a listing regime for the new economy companies, and a business-friendly environment for start-ups, Hong Kong will provide a perfect match to Shenzhen's technology ecosystem and achieve the effect of "1+1 is bigger than 2". Indeed, we are about to sign on a new partnership with Shenzhen on the basis of "one zone, two parks" in the Shenzhen-Hong Kong I&T Co-operation Zone. Under this initiative, our own Hong Kong Science Park will lease and manage select areas of the Shenzhen I&T Zone, and attract talents and companies from the Mainland and overseas to this Zone.

The Greater Bay Area also offers far-reaching promise for legal services. The Greater Bay Area Legal Professional Examination, for example, will allow Hong Kong and Macao legal practitioners to obtain Mainland qualifications, practising as lawyers in the Greater Bay Area. The initial exam had drawn some 650 registered applicants and was scheduled to be held in January this year. Unfortunately, it was postponed because of the pandemic, but will hopefully be resurrected in the near future. The pilot measure to allow wholly-owned Hong Kong companies to adopt Hong Kong laws has been implemented in Shenzhen Qianhai. It allows the Hong Kong companies registered in the Qianhai co-operation zone to use Hong Kong law when entering into civil and commercial contracts. And we are in discussions to extend this initiative to Shenzhen and beyond. The goal is to create a law-based, internationalised business environment for the entire GBA.

As we expect more and more businesses to establish their presence in the Greater Bay Area, the Hong Kong Trade Development Council has very recently launched the "GoGBA" platform. The platform, which can be accessed through the internet or WeChat mini programme, features the region's latest economic and trade policies and measures, as well as market information, trade-event details and wide-ranging contacts, in Chinese and English. The Trade Development Council has also established a "Greater Bay Area Service Centre" in Shenzhen. It provides support, on the ground, for Hong Kong companies operating in the Greater Bay Area.

In short, ladies and gentlemen, within and beyond the Greater Bay Area, Hong Kong's role as a gateway of investment into the Mainland will be reinforced in China's "dual circulation" strategy, under which our nation is committed to a wider, broader, and deeper economic opening, while at the same time more Chinese companies will use Hong Kong's professional services in going global. As a highly market-oriented city and an international economy, Hong Kong will proactively become a participant in domestic circulation and a facilitator in international circulation amidst the "dual circulation" development strategy of our country.

I am sure the single most desire you now have is to go into the Mainland without being subject to the strict quarantine and isolation arrangements. I can assure you that this is also very much one of my priorities. As things now stand, the fourth wave that hit us since November last year has come to an end; Hong Kong has proven her capability in stemming the spread of isolated infections through aggressive testing and tracing and local confirmed cases have almost disappeared. We need your and the community's

support to raise the vaccination rate to a comfortable level for some defence immunity and that will create the necessary conditions for unimpeded travel to resume, with the Mainland and overseas. When normal travel has resumed, you may wish to know that as a facilitating measure, we are seeking the Central Government's support for an entry scheme that will give easier access to expatriates living and working in Hong Kong to visit the Greater Bay Area Mainland cities.

Before I end, let me thank BritCham for its foresight and pragmatism in clearly seeing the potential of the Greater Bay Area, by taking the initiative to present to the HKSAR Government the chamber's thoughts on the Greater Bay Area through position papers – which as Peter told you I read, I didn't even read, I sent it to my Principal Officials to read also – and to set up the Greater Bay Area British Business Network, in concert with your British chambers in Macao and southern China, as well as the Confederation of British Industry and the Mainland China-Britain Business Council. These efforts are most commendable.

Ladies and gentlemen, for many decades, Hong Kong has transformed her economy to optimise opportunities from the Mainland's reform and opening, sharing the prosperity with overseas companies who have been our unfailing partners through that journey. In the same spirit, let's fully participate in developing the Greater Bay Area into a vibrant, dynamic and world-class city cluster for the benefit of all.

I wish you a most rewarding summit and good health and business in the coming year.

Thank you very much.

