

Speech by CE at BritCham Hong Kong Summit 2024 (English only) (with photo)

Following is the speech by the Chief Executive, Mr John Lee, at Britcham Hong Kong Summit 2024 today (September 24):

Mr Jeremy Sheldon (Chair of the British Chamber of Commerce in Hong Kong), Mr Paul McComb (Executive Director of the British Chamber of Commerce in Hong Kong), Deputy Consul-General Sarah Robinson (Deputy Consul-General of the United Kingdom to Hong Kong), distinguished guests, ladies and gentlemen,

Good afternoon to you all. I am delighted to be here, today, for the fourth annual BritCham Hong Kong Summit. And what a day it's been, with Commissioner Cui Jianchun opening the Summit and five smartly considered panel discussions, each centred on Hong Kong opportunity – long-term, far-reaching opportunities powered by innovation, sustainability, and more.

Panel One's theme certainly caught my attention, with its focus, and I quote, "Business Leaders Perspective on Hong Kong as a Global Powerhouse City".

Yes, ladies and gentlemen, Hong Kong indeed endeavours to become a global powerhouse city. With its energy, entrepreneurship and connectivity.

More than an ambition, it is a goal and collective commitment that the Hong Kong SAR Government is working, tirelessly, to realise.

With welcome assistance, let me add, from organisations such as the British Chamber of Commerce in Hong Kong, and its membership of some 1 000 professionals from about 350 companies. Each and every one of you as committed as us in building a flourishing future for all, right here in Hong Kong.

At last count, over 640 UK companies call Hong Kong home. And it's reassuring to tell you that Hong Kong and UK companies like to do business together. Last year, our bilateral merchandise trade was up a whopping 19 per cent, year on year, and reached nearly HK\$130 billion.

Yes, Hong Kong has all along been a key export market for the UK. In the decade between 2014 and 2023, the value of UK exports to Hong Kong grew nearly 100 per cent, to GBP15.7 billion.

Our trade in services are just as vibrant. In 2022, the UK was Hong Kong's third-largest services trading partner.

And, of course, we like to invest in each other's economies and

companies. In 2021, Hong Kong was the sixth-most popular destination for foreign direct investment from the UK, with a total value of GBP77.6 billion. That accounted for 4.4 per cent of the UK's total outward FDI stock. Hong Kong, in 2021, was the second-largest Asian investor in the UK, with FDI stock worth GBP16.3 billion.

Hong Kong's selling card, our great and enduring strength over the years, is our openness to trade and business, our eagerness to connect – with the UK and a world of companies and economies.

"One country, two systems" makes it happen. This unique principle allows Hong Kong to enjoy the wealth of opportunities our country presents, while taking full advantage of our dominant role as the multilevel bridge between the Mainland and the rest of the world.

It ensures that Hong Kong's robust rule of law, as well as our continuous practice of the common law system, one that resembles that of the UK and many major global financial centres. It also helps to maintain our simple and low tax regime, world-class infrastructure, and international connectivity.

That's probably why in the latest World Competitiveness Yearbook, published by the International Institute for Management Development, Hong Kong ranked fifth globally. We came first in the world in "international trade" and "business legislation", and was also among the global top five in "tax policy", "international investment", "basic infrastructure", "finance" and "education".

As a global powerhouse city, Hong Kong will never stop expanding its business and trade networks. These include our well-established partners among developed economies, as well as new and budding ones.

The 10 Member States of ASEAN – the Association of Southeast Asian Nations – is one of our pre-eminent partners. For more than a decade now, ASEAN has been our second-largest merchandise trade entity. Investment between us is also buoyant. Indeed, Hong Kong is ASEAN's fourth-largest source of inward direct investment.

It helps, of course, that the free trade agreement and investment agreement between us has been in full force now for three years.

It helps, too, that I have been to seven ASEAN countries since I assumed office just over two years ago. My latest visit, in July, to Laos, Cambodia and Vietnam, resulted in 55 MOUs and related agreements. They will expand our co-operation in trade and investment, as well as finance, technology, logistics and a good many other areas, too.

Our ties with the Middle East have also burgeoned following my visit to the region in February last year.

This past week, Saudi Arabia gave its approval for the first exchange-

traded fund, or ETF, investing in Hong Kong equities to be listed on its stock exchange. That's an encouraging development for investors, too.

Last November, HKEX, and investors, welcomed the listing of Asia-Pacific's first ETF to track Saudi Arabian equities, allowing local and global investors to invest in the Saudi stock market through Hong Kong. This mutually rewarding co-operation is a boost for Hong Kong's ETF market and the global connectivity of our financial services sector.

We look, too, to other cities in the Guangdong-Hong Kong-Macao Greater Bay Area for connectivity, for long-term opportunity powered by innovation and technology. I'm sure you've heard as much at the panel discussion just now.

The Greater Bay Area, as you will be well aware, brings together Hong Kong, Macao and nine cities in Guangdong province. It counts a population of over 86 million people. Its GDP amounted to nearly US\$2 trillion last year, rivalling the world's 10th largest economy.

More than an enormous consumer market, the Greater Bay Area is fast becoming an innovation and technology hub. This year's Global Innovation Index ranked the Shenzhen-Hong Kong-Guangzhou cluster second in the world, for the fifth year in a row.

That only underlines the huge potential for I&T development in the Greater Bay Area – and in Hong Kong, China's most international city as you all know. Hong Kong is the only Asian city that has as many as five universities in the world's top 100, and boast world-class capabilities in research, a robust intellectual property rights protection system, and an established international business environment. Hong Kong has what it takes to play a pivotal role in the region's rise as an I&T hub.

The Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop, situated right next to our boundary with Shenzhen, is central to that future. This Hong Kong Park, of 87 hectares in area, together with a 300-hectare Shenzhen Park, will form the Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone. It straddles our geographical boundary with the Mainland and will propel the region's I&T growth.

The Hong Kong Park's first three buildings, I'm pleased to say, are expected to complete, gradually, from the end of this year.

The Park's first phase, a total floor area of up to one million square metres, will focus on a number of I&T areas, including life and health technology, AI, advanced manufacturing and industry, academic and research sectors.

That, of course, will demand technology specialists. A continuing flow of strategic talent of every kind, at every level.

We're working on that, too. And, according to the International

Institute for Management Development and its 2024 World Talent Ranking, we're well on our way.

In the latest World Talent Ranking, published just last week, Hong Kong's ranking rose to ninth, overall – up considerably from 16th last year. That's also the first time we were back to the ranking's top 10 since 2016.

And I'm delighted to say that Hong Kong topped the ranking in the percentage of graduates in sciences.

We're making notable progress, too, in enticing talent to turn to Hong Kong for their future.

As at the end of last month, we have received more than 360 000 applications under our various enhanced talent admission programmes, launched in the end of 2022. Nearly 230 000 applications have been approved, and more than 150 000 professionals have already arrived in Hong Kong, many with their families.

The schemes are popular among our friends from the UK, I'm glad to add. Some 4 100 of these approved applicants are UK nationals. That's a blessing. For our new Top Talent Pass Scheme, which targets graduates from the world's best universities and high-income earners, about 7 per cent of the admitted top graduates are from British universities.

And our Working Holiday Scheme with the UK, which celebrates its 10th anniversary this year, has also strengthened our youth ties. At last count, nearly 11 000 young people from Hong Kong and the UK have been granted visas to work, while holidaying, in each other's places over the past decade.

More than our people-to-people bond, the young and talented professionals joining Hong Kong will boost our labour force. Good news for the economy. For business. For you as well.

Getting, and keeping, talent is, of course, a work in progress, as is the Hong Kong economy. I'll have more to say on that, and much more, next month, in my annual Policy Address.

And my thanks to BritCham for its Policy Address submission, which I received in early August. I am grateful for your considered thoughts on how Hong Kong can boost its standing as an international trade and finance centre, how we can build our technology and innovation capabilities, take our place as an international talent hub and a good deal more.

I look forward to your continuing co-operation – the excellent work your Chamber is doing for our economy and our community.

On our community, I understand a cheering section from the Chamber will be in London for the upcoming Hong Kong Dinner. This annual gathering is one of the many deep-rooted traditions that have long defined, and distinguished, the abiding ties between our two economies and peoples.

Ladies and gentlemen, I wish you the best of business, health and happiness in the coming year. And, for those of you flying off to London this week, I wish you a memorable Hong Kong Dinner, brimful of the good stories of Hong Kong, a global powerhouse city.

Thank you.

