

Speech by CE at business dinner in Cambodia (English only) (with photos/video)

Following is the speech by the Chief Executive, Mr John Lee, at a business dinner in Phnom Penh, Cambodia organised by the Hong Kong Economic and Trade Office in Bangkok for Hong Kong business delegates and key Cambodian business leaders today (July 30):

Distinguished guests, ladies and gentlemen,

Choum reap sor. Good evening. In fact, I was told that a lot of you speak very good Cantonese, so I would say, 大家晚上好。I'm also told that this evening, I am surrounded by billionaires, and a lot of wise minds in investment and doing business. So I will make use of this opportunity to tell you more about Hong Kong's strengths and advantages. I attach great importance to my visit to Cambodia, and I have brought a delegation comprising many senior government officials plus more than 30 very successful leaders in different sectors, coming from finance, commerce, logistics, tourism, I&T (innovation and technology). You name it, we have it.

I am very delighted to join you, tonight, in Phnom Penh, the capital of Cambodia. Delighted to welcome all of you – business elites from Cambodia's leading enterprises, to this dinner. I thank you for accepting my invitation. The theme of our dinner is "super connecting". We are aiming to build a Hong Kong-Cambodia partnership, and we have a lot to offer in "super connecting", and also in building that partnership.

My delegation and I arrived here this afternoon. In just the past few hours, we have already experienced your country's wonderful hospitality, friendship and spirit of enterprise – all before dinner!

With Angkor Wat and a wide range of fascinating heritage sites of the Khmer culture, as well as many other world-famous tourist attractions, Cambodia is renowned around the world as the "Kingdom of Wonder".

With this in mind, I wish to share with you, in the next few minutes, some wondrous opportunities for closer business collaboration between Hong Kong and Cambodia.

Timing is key to business success. And this is a wonderful moment to deepen co-operation between Hong Kong and Cambodia. We have exactly the right people, in the right place, at the right time, to better understand the challenges and opportunities ahead.

I am glad to lead a delegation of some 30 Hong Kong business leaders on this visit to the ASEAN (Association of Southeast Asian Nations) region,

which also includes stops in Laos and Vietnam.

Our delegation comprises high-level representatives from a wide range of sectors, from finance and real estate to innovation and technology, logistics and trade, as well as major chambers of commerce.

The time is also ripe for business development and economic growth. We forecast Hong Kong's GDP to grow at a steady rate of between 2.5 and 3.5 per cent this year. I am also encouraged to know that Cambodia's economy is forecast to grow at a healthy 5.8 per cent this year, according to the Asian Development Bank.

Cambodia, with its robust economic growth, friendly environment for foreign investment, and growing investments in strategic infrastructure, is emerging as a vital player in the regional economy. Your burgeoning manufacturing sector, and growing skilled workforce, have positioned Cambodia as an attractive destination for a world of investors, including those of us from Hong Kong.

There are, of course, challenges too. The lingering disruptions in supply chains, accelerated digitisation of manufacturing processes, and ongoing shift to more regionalised trade and logistics patterns, are new conditions we have to adapt to.

These reinforce the need for timely co-operation with close partners in the region. Hong Kong and Cambodia, though distinct in many ways, share a common vision of economic prosperity. That is collaboration. We are committed to joining hands with Cambodia, and leveraging the unique advantages of our economies to thrive together.

Under the "one country, two systems" principle, we enjoy unparalleled access to both the Mainland and international markets. At the same time, we maintain our rule of law and common law system, free flow of information, capital, goods and people, alignment with international standards, and more. All these form the foundation of our position, as the only world-class city that enjoys both the China advantage and the global advantage.

Hong Kong ranks No. 5, globally, in the latest World Competitiveness Yearbook published recently by the International Institute for Management Development. That's up two places from last year. We came top in two categories, number one in the world: "international trade" and "business legislation". This is all music to the ears of our business community, which thrives on the back of our city's competitive advantages.

Apart from our openness to international trade and the ease of doing business, I wish to highlight one more long-standing feature of our business-friendly city. That is our low and simple tax regime. In Hong Kong, there is no sales tax, no dividends tax, no estate duty, and no capital gains tax. That means businesses and investors, like all of you, can take home the money you make in Hong Kong in much bigger portions, than when you invest in many other places.

For your information, profits tax rate for corporates is 16.5 per cent (on assessable profits over HK\$2,000,000; or 8.25 per cent on assessable profits up to HK\$2,000,000), and there are a lot of tax concessions in quite a lot of different areas, so in some cases, you pay far less. In some cases, you can pay zero. We'll work it out for you.

Hong Kong is among the world's top international financial centres. We welcome Cambodian companies, including "new economy" enterprises, to list on the Hong Kong stock exchange. Raising capital for your companies' development aside, this would also help Cambodian brands to gain more exposure among Chinese investors and consumers.

We have what we call "Stock Connect" schemes with the stock markets of Shanghai and Shenzhen. Companies listed in Hong Kong can better connect with Mainland Chinese investors and capital. Our Connect schemes with the Mainland have become broader and deeper, and now cover bonds, exchange-traded funds and derivatives.

We are also a testing ground and launchpad for the gradual opening up of China's financial markets and internationalisation of the RMB. For example, 80 per cent of offshore RMB transactions take place in Hong Kong. As the world's largest offshore RMB hub, the diversity and liquidity of our products, and risk management tools, facilitate business co-operation between Cambodian and Chinese companies. And we continue to develop more products to enable foreign businesses – to enable you – in settling trade deals and investment in RMB.

Overseas enterprises are also welcome to raise funds in Hong Kong through bond issuance. Our bond volume exceeds USD100 billion, capturing 30 per cent of the Asian market. That's why Hong Kong has ranked first in Asia for seven consecutive years in terms of the volume of international bond issuance.

Hong Kong's reputation as Asia's wealth management hub, has given rise to a new growth sector, namely, family office business. Hong Kong is now home to about 2 700 family offices, half of which involve assets over USD50 million, and this figure only talks about single family offices. Of course, you know there are multi-family offices. They are not counted here in this figure. They are helping to meet growing demand from high-net-worth individuals for bespoke financial services, including succession planning, philanthropy and other investment requirements.

Our legal and dispute resolution services are another key factor for our business community. We have a deep pool of skilled legal practitioners ready to support each stage of business success, from setting up, to signing deals, resolving disputes and more.

In fact, Hong Kong is among the most preferred seats for arbitration in the world, a testament of the business community's high degree of confidence in our arbitral regime.

More, Hong Kong is going to house the headquarters of the International Organization for Mediation. I am pleased to note that Cambodia was among the signatories in establishing the Organization. It is set to become the world's first such organisation dedicated to the settlement of international disputes through mediation.

This is a significant development that makes good use of Hong Kong's bilingual common law system, and strengthens our position as an international legal and dispute resolution services centre.

We provide our global investors with world-class services, in finance, dispute resolution, and more, by homegrown and foreign talent.

On the topic of talent, Hong Kong is the only Asian city with as many as five universities in the world's top 100. They help to nurture our versatile and determined workforce that is, also, well versed in the language of business in the Mainland and overseas. We welcome talented individuals from all around the world to study, and pursue their careers in Hong Kong.

We recognise the value of a high-quality and sustainable workforce. We have launched a Top Talent Pass Scheme to attract high-flying professionals and graduates from the global top 100 universities. Together with our enhanced talent admission schemes, we have, over the past 18 months or so, received over 320 000 applications from around the world. Of these, nearly 200 000 of them have been approved, and over 130 000 talents have already arrived in Hong Kong.

There's more. This March, we opened our New Capital Investment Entrant Scheme for applications.

Under this new scheme, qualified individuals who invest HKD30 million, or about USD3.8 million, in a range of specific assets, can apply to reside in Hong Kong. Not only can they stay in Hong Kong for development, they can also bring their dependents with them to settle in our city. In a matter of four months, we have already received over 330 applications and thousands of enquiries from keen investors.

Settling in Hong Kong opens many doors to opportunities for professionals and entrepreneurs – doors that are not found elsewhere.

Let me give you a recent example. Earlier this month, our expat business community welcomed the launch of a new travel permit for non-Chinese Hong Kong permanent residents to travel to Mainland China, without having to apply for a visa each time.

This card-type travel document is valid for five years, and can be used for stays of up to 90 days each time. There are no restrictions on nationality or industry, making it cheaper, and a lot more convenient, for Hong Kongers who are not ethnically Chinese to visit the Mainland for business, or pleasure.

This follows the introduction, last year, of a "multiple-entry visa" for foreign nationals working for companies registered in Hong Kong. With greater cross-boundary travel convenience, Hong Kong is an even more attractive place for overseas companies and talent to access opportunities in the Mainland.

This is especially important in relation to the fast-evolving Guangdong-Hong Kong-Macao Greater Bay Area.

Covering Hong Kong, Macao and nine cities in southern China, the Greater Bay Area is emerging as an economic driver for our country, and a key export market for the ASEAN region.

Last year, the combined GDP of the Greater Bay Area was nearly USD2 trillion, similar to the world's 10th largest economy. It has a population of over 86 million, about the same as Cambodia and Thailand combined. In short, the Greater Bay Area presents new and exciting opportunities for Cambodian businesses, and Hong Kong is your best connection point to this economic super-zone.

Ladies and gentlemen, I have mentioned some of the strengths and opportunities for greater and closer collaboration with Hong Kong. I note, with high regard, that Cambodia is a traditional superpower in the textile and garment industry. Your country is also committed to diversifying its economy by developing such new sectors as innovation and technology, energy, green tech, logistics and other high value-added products and services.

I believe Hong Kong, as a global finance and professional services hub, could provide some useful reference.

We are keen to share Hong Kong's experience of its economic transformation with our friends here in Cambodia. Working together, we can pursue opportunities in technological development and high value-added services in this era of transition.

Last but by no means least, a few thoughts on creative and cultural exchange. With your mesmerising heritage and a vibrant tourism industry, Cambodia is invited to explore closer cultural exchanges with Hong Kong. Once again, timing is good – with 2024 being designated as Cambodia-China People-to-People Exchange Year.

Hong Kong is fast becoming an East-meets-West centre for international cultural exchange. We welcome more of Cambodia's extraordinary arts and culture in Hong Kong, which would showcase your country's many charms and attractions to people in Hong Kong, the wider Greater Bay Area, and a world beyond.

Ladies and gentlemen, I sincerely thank you all, again, for being here, accepting our invitation, building our friendship, building the Hong Kong-Cambodia partnership. I hope that my remarks have provided some food for thought in terms of discussion topics this evening and beyond, adding to the good food and wine here, to which you are requesting to do justice.

Please do take this wonderful chance to mingle and make your new contacts and friends. I know that many of our delegation members are keen to know more about investing in Cambodia. Representatives from our Trade Development Council, and Invest Hong Kong, our dedicated agency in assisting your business needs, are also here to share with you their valuable experience, ideas and resources.

Thank you once again for your presence and your time, and for surrounding me with all these billionaire ideas. I wish you all a wonderful year of business ahead. I would like to propose a toast for the friendship and the partnership that we will be building and building fast. To Hong Kong-Cambodia friendship and partnership. Cheers!

