

# Speech by CE at business luncheon for Indonesian Business Community: "Partnering for Success" (English only) (with video)

Following is the speech by the Chief Executive, Mr John Lee, at the business luncheon for Indonesian Business Community: "Partnering for Success" in Jakarta, Indonesia, today (July 26):

Your Excellency Vice Minister Jerry Sambuaga (Vice Minister of Trade of Indonesia), Vice Minister Kartika Wirjoatmodjo (Vice Minister II of the Ministry of the State-Owned Enterprises of Indonesia), Dr Peter Lam (Chairman of the Hong Kong Trade Development Council), distinguished guests, ladies and gentlemen,

Good afternoon to you all! Selamat siang! It gives me a great pleasure to speak some Indonesian language. It's a challenge, but I will keep learning.

I am delighted to join you for today's business luncheon. Delighted to be in the Wonderful Indonesia, for the very first time since I took office as the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China. I am also grateful to Vice Minister Sambuaga for joining us in person today, showing the great support of the Indonesian Government towards strengthening Hong Kong-Indonesia relations.

Some better news in addition to what has been shown by the Vice Minister. Indeed we had negative growth last year, but I am happy to report that we believe our GDP (Gross Domestic Product) growth this year will be in the range of 3.5 per cent to 5.5 per cent. And I believe that with more co-operation with our Indonesian businesses and friends, that assessment should be quite a safe assessment for us to make, and hopefully we can do better.

"Partnering for Success" is the overriding theme of our week-long visit to ASEAN (Association of Southeast Asian Nations). Our Hong Kong delegation includes 30 distinguished business leaders from the fields of commerce, financial services, transport, logistics and technology. I am also joined by five of the most senior officials on my governing team. We are all here to explore new collaboration opportunities with you. To better partner with you, and achieve mutual success. We have many good reasons for this. Allow me to highlight four of them to you.

First, during his visit to Bali last year for the G20 Leaders' Summit, President Xi Jinping told President Joko Widodo that China stands ready to keep forging synergy between the Belt and Road Initiative and Indonesia's Global Maritime Fulcrum, and elevate bilateral co-operation to a new level.

The Presidents jointly witnessed the operational trial of the Jakarta-Bandung High-Speed Railway. The railway is a major landmark project under the Belt and Road Initiative personally launched by President Xi 10 years ago. The railway will reduce travel time from Jakarta to Bandung from more than three hours to just 40 minutes – that's less time than it takes to have a good lunch! Later this afternoon, I'll be visiting the project and seeing first-hand how Belt and Road co-operation is bringing this visionary project to reality.

The second reason is to make good use of Hong Kong's role as a proactive contributor to the Belt and Road and international co-operation. A global business and financial centre with world-class professional services, Hong Kong provides a springboard for Indonesian enterprises to engage in and benefit from the Belt and Road.

This is made possible by the unique "one country, two systems" principle, which underpins our city's enduring advantage of having unparalleled connectivity with Mainland China and the rest of the world. It means that Hong Kong maintains its world-renowned financial system with free flow of capital, as well as a low and simple tax regime, a solid foundation of the rule of law and well-developed infrastructure. English is an official language alongside Chinese, and we are the only city in our country that practises the common law. These are some of the strengths that reinforce our international competitiveness and connectivity.

Hong Kong is the world's freest economy. We are the No. 1 air cargo hub globally. We are the world's No.3 most preferred seat for arbitration. Five of our universities rank among the world's top 100 – more than any other Asian city. But this is only half of the story.

Because all the advantages we enjoy under the "two systems" are premised on the solid foundation of "one country". It means that Hong Kong has the full support of the Central People's Government in maintaining stability, security and, of course most importantly, prosperity. It means that we are closely integrated into national development strategies, and have an enviable access to the world's second largest economy.

With seamless cross-boundary links, it enables our partners around the world, including Indonesia, to join us in exploring the immense opportunities throughout our country.

This brings me to reason number three, to invite you to realise China's great potential. One fast-growing market is the Guangdong-Hong Kong-Macao Greater Bay Area, or the GBA, which integrates nine major cities in Guangdong Province, plus the Special Administrative Regions of Hong Kong and Macao.

Sitting at the Asian intersection of the Belt and Road, the GBA is an emerging economic powerhouse. It has a population of over 86 million, and registered a GDP of over US\$1.9 trillion last year, which is equivalent to the 10th largest economy in the world.

To put that into perspective, the population of the GBA is similar to

that of Jakarta plus the three nearby provinces, namely Banten, Central Java and West Java. The potential and opportunities presented by the GBA are limitless!

Hong Kong champions free trade and thrives in a vibrant trade environment. That is why we are more than eager to invite Indonesia, and our friends in ASEAN, to join us in furthering the dynamic development of the GBA.

Hong Kong, and Hong Kong-based enterprises, enjoy a first-mover advantage in capitalising on opportunities in the GBA, especially for tech companies and start-ups. That's because the GBA pools together the financial and professional services capabilities of Hong Kong, with the tech expertise of Shenzhen and the manufacturing prowess of Guangdong Province.

Mainland China is the world's largest exporter of merchandise trade, and the use of the Renminbi, as both a trading and reserve currency, will continue to increase.

With total deposits over RMB1 trillion and a daily turnover of RMB1.6 trillion Renminbi, Hong Kong is the world's largest offshore Renminbi business centre, handling about three-fourth of offshore Renminbi transactions every day. Indonesian companies wishing to settle their China trade using the Chinese currency are encouraged to do so via the Hong Kong platform.

While Renminbi business is our core strength, we also strive to enhance our financial market's diversity, including in Islamic finance. Over the past decade, we have created a conducive platform for sukuk issuance, including amending our laws to provide a tax structure for sukuk that is comparable with that for conventional bonds.

In addition to the sukuk issued under the Government Bond Programme, our Islamic financial products and services include the sukuk issued by foreign entities and listed on the Hong Kong Stock Exchange, Islamic funds and Islamic banking windows.

Very much like our robust financial market, we welcome with open arms, investors, companies and talents to expand their international horizons in Hong Kong and through Hong Kong. So my fourth reason to share with you, is that we are keen to attain new potentials with you.

Last year, we rolled out designated schemes to attract top talent and investment to Hong Kong. These include the Top Talent Pass Scheme, which provides a flexible pathway for international talents to work or establish businesses in Hong Kong.

I'm pleased to note that our enhanced talent regime has already attracted over 100 000 applications over the past half a year or so, which doubles actually the target we set for the whole year. And I'm pleased to inform you that one of the latest cases that have been reported to me is a talent from Indonesia who only took two months to get his application

approved. I welcome him with open arms. I am sure more of you will come.

Last year we rolled out the designated scheme not just to attract top talent but actually talent in different regards. We are also actively reaching out to attract enterprises that are of strategic importance to Hong Kong, including those in the fields of health technology, AI (artificial intelligence) and data science, fintech, advanced manufacturing and new-energy technology.

Yes, we are determined to grow and break new ground. And we want to do it with you all. Our colleagues here from Invest Hong Kong and our Hong Kong Economic and Trade Office in Jakarta are happy to discuss these and other partnership strategies with you.

As Indonesia makes rapid progress towards realising the Vision of Indonesia 2045, Hong Kong is ready to partner with Indonesia on this journey.

I am pleased to be witnessing the signing of 15 MOUs (memoranda of understanding) and agreements between our two sides during this visit. They cover areas ranging from investment promotion, trade and fundraising to science, technology and aerospace. These partnerships signal our intent for broader and deeper co-operation with our friends here in Indonesia.

I am confident that our relations will go from strength to strength. I would like to take the opportunity to congratulate Jakarta on successfully hosting the ASEAN Foreign Ministers' Meeting, as well as the East Asia Summit Foreign Ministers' Meeting earlier this month.

ASEAN is our second-largest trading partner globally, after Mainland China. Last year, the value of bilateral merchandise trade amounted to US\$165 billion. And last year, our bilateral trade with Indonesia was US\$5.7 billion.

With our economies in full recovery mode after the pandemic, we are more determined than ever to take advantage of the ASEAN-Hong Kong, China Free Trade Agreement and the related Investment Agreement, that came into full force in 2021.

We are grateful to Indonesia and ASEAN for their firm support of Hong Kong's bid to join RCEP, the Regional Comprehensive Economic Partnership. RCEP was conceived at the ASEAN Summit in Bali in 2011, and is now the world's largest FTA (Free Trade Agreement). With our unique position as an international gateway to and from Mainland China, Hong Kong's accession to RCEP would bring added value to all members of the RCEP family, in augmenting the benefits of regional co-operation and multilateralism.

Ladies and gentlemen, I have spoken much about Hong Kong's attributes as a partner for finance and commerce. But our city is more than a place of business.

Hong Kong is a lively cosmopolitan city with proud cultural heritage and a bright future. From our restaurants and shopping districts to theatres, art

galleries, sports fields and country parks, there is plenty to enjoy in Asia's world city.

I welcome you all to come visit Hong Kong, enjoy the world-famous iconic skyline along the Victoria Harbour, and discover our brand-new landmarks such as the Hong Kong Palace Museum that showcases priceless national treasures from Beijing's Forbidden City, and of course, the M+, Hong Kong's new museum of global visual art.

For the young, and the young-at-heart – which I think includes all of us! – Hong Kong Disneyland Resort will open the world's first and biggest themed land on the Frozen movies this year. Or, if you are after other fun ways to stay cool, take a dip at Ocean Park's Water World, Asia's first all-weather, year-round waterfront water park.

It just remains for me to thank the Hong Kong Trade Development Council and the Hong Kong Economic and Trade Office for organising today's luncheon. I also thank the Indonesian Chamber of Commerce and Industry for supporting this event.

I know that Indonesia will be celebrating its Independence Day in a few weeks' time. To cite Indonesia's national motto, I am confident that the power of "unity in diversity" between Hong Kong and Indonesia will lead to many more successful partnerships in the years ahead. I wish you all a happy Independence Day. Enjoy your lunch.

Thank you.