

Speech by CE at business luncheon in Cambodia (English only)

Following is the speech by the Chief Executive, Mr John Lee, at a business luncheon titled "Super-connecting New Pathways to Success: Hong Kong-Cambodia Partnerships in Fostering Mutual Prosperity and Economic Development" co-organised by the Hong Kong Economic and Trade Office in Bangkok and the Hong Kong Trade Development Council in Cambodia today (July 31):

Your Excellency Deputy Prime Minister Sun Chanthol (Deputy Prime Minister and First Vice-Chairman of the Council for the Development of Cambodia), Neak Oknha Kith Meng (President of the Cambodia Chamber of Commerce and Chair of ASEAN Business Advisory Council – Cambodia), distinguished guests, ladies and gentlemen,

Good afternoon. Choum reap sor. It is a great pleasure to be with you for today's business luncheon. First of all, I would like to extend my gratitude to Deputy Prime Minister Sun for gracing this event and for his excellent and enlightening speech. I think we are all impressed with not just the details, but with the commitment and passion of Deputy Prime Minister Sun. Your presence today underlines the long-standing ties and promising future between Hong Kong and Cambodia.

This is my first visit to Cambodia since taking office as Chief Executive of the Hong Kong Special Administrative Region (SAR) of the People's Republic of China, two years ago this month. But this is also the first ever visit by the Chief Executive of the Hong Kong SAR.

And what a delight it is to be here, in the magnificent country of Cambodia. With your captivating heritage, rich culture and an industrious and versatile workforce, Cambodia has much to offer, and fascinate, a world of historians, tourists, students, and business people alike. That certainly includes us from Hong Kong.

"Super-connecting New Pathways to Success" is the central theme of our week-long visit to the ASEAN countries of Cambodia, Laos and Vietnam. As an open economy, Hong Kong is always seeking opportunities to expand our trade and our trading partners, to promote mutually rewarding economic development.

That's why some 30 high-level business leaders from Hong Kong have joined me on this trip. They represent a wide range of sectors and industries, from financial services, trade and real estate, to innovation and technology, logistics, aviation, hospitality and more.

Now, I would like to invite everybody in our Hong Kong delegation, as well as my colleagues, and everybody in the Hong Kong team, to wave your

hands and say "hi" to our new friends. Well, we have to show together, the energy of our Hong Kong team! Yes, ladies and gentlemen, our energetic team is seated among you this afternoon. And we look forward to talking with Cambodian businesses and investors. With all of you.

We certainly make it easy to do business together. Under the unique "one country, two systems" principle, Hong Kong enjoys both the China advantage and the global advantage. Hong Kong is the only common law jurisdiction within China, our country, and we maintain a legal system that resembles the system practised in many international financial centres.

Hong Kong maintains a low and simple tax regime. For those who may not know, for income tax, it's 15 per cent (standard rate of salaries tax on the first HK\$5,000,000 of net income); for profits tax, it's 16.5 per cent (tax rate for assessable profits over HK\$2,000,000; or 8.25 per cent on assessable profits up to HK\$2,000,000). And we offer concessions in a lot of areas as well. We enjoy free flow of information, capital, goods and people, sophisticated infrastructure, and boundless opportunities, thanks to the unfailing support of our country and strong international connectivity.

Add it up, and you can understand why Hong Kong ranks No.5 in this year's World Competitiveness Yearbook, published by the Swiss-based International Institute for Management Development. That's up two places over last year's showing. We came first, globally, in the rankings for "international trade" and "business legislation". So Deputy Prime Minister, I think you have picked the right choice to pick the good legislation from Hong Kong for business.

More than one of the world's most competitive economies, we are the fourth-largest recipient of foreign direct investment, and the world's 10th-largest economy in merchandise trade.

There's more. Hong Kong's economy last year grew 3.3 per cent. Not, of course, as strong as Cambodia's growth of over 5 per cent last year. But it does tell us that we are on the right road once again.

It should not come as a surprise, then, that we just achieved an all-time high in our number of registered companies. As at the end of last month, Hong Kong had over 1.4 million local registered companies, and nearly 15 000 registered non-Hong Kong companies. They are all record highs.

The region's "super connector" and "super value-adder", Hong Kong will continue to capitalise on its singular ability to connect the world to the wide-ranging opportunities of the Chinese market.

Hong Kong is focusing on eight areas of development laid out in the National 14th Five-Year Plan: financial services, trade, innovation and technology, aviation, shipping, legal services and dispute resolution, intellectual property trading, and international cultural exchange.

Hong Kong, of course, has long been one of the world's leading financial

centres. And we are committed to expanding, and diversifying, the sector. That includes reinforcing Hong Kong's standing as the world's largest offshore Renminbi service hub. About 80 per cent of all offshore Renminbi payments are processed in Hong Kong, let me add. And our asset and wealth management sector continues to grow. Hong Kong is the region's largest hedge fund centre and second-largest private equity centre.

Hong Kong also plays a pivotal role in the fast-emerging Guangdong-Hong Kong-Macao Greater Bay Area.

Including Hong Kong, Macao and nine major cities in southern China, the Greater Bay Area is home to some 86 million consumers. That's about the same as the population of Cambodia and Thailand combined.

The Greater Bay Area, last year, had a GDP of nearly US\$2 trillion, equivalent to the world's 10th-largest economy. The Greater Bay Area is a huge, and growing, consumer market. One that we are keen to connect all of you to.

Hong Kong brings to the Greater Bay Area international experience and expertise in finance and trade, as well as world-class professional services, transport, logistics and more.

I welcome Cambodian enterprises and entrepreneurs to partner with Hong Kong and, together with us, tap into the area's far-reaching business and investment opportunities.

Given its central geographical location, the Greater Bay Area is also pivotal to the Belt and Road Initiative. And that reality only expands Hong Kong's role as the multi-level conduit between China and the rest of the world.

As Asia's leader in green and transition finance, the volume of green and sustainable bonds arranged in Hong Kong amounted to nearly US\$30 billion last year, accounting for over one-third of Asia's total.

I know that Cambodia, like us, is committed to achieving green transition. I welcome public and private sectors and also good partners from Cambodia, and throughout the region, to access green and transition capital and technologies through Hong Kong.

I see opportunities for our co-operation in the digital economy as well. Digital development, particularly artificial intelligence, is rapidly changing industrial production, urban management and life in general.

Hong Kong is making significant strides in the digital economy. That includes enabling the orderly flow of data, and data protection, within the Greater Bay Area.

Hong Kong will be converging data from the Mainland and the world. That will accelerate our goal of becoming an international hub for research and

development in artificial intelligence and biomedicine.

We have, in short, boundless opportunities and world-class ambition. To support that, we have a continuing flow of strategic talent at an international level. Hong Kong is the only Asian city that has as many as five universities in the world's top 100. Our world-class institutes help to nurture Hong Kong's multitalented and multilingual workforce.

The Hong Kong SAR Government is also working to attract enterprises, capital and talent from around the world. We are seeking more of the right companies, and professionals, to spearhead the high-quality development of our economy – now and long down the road.

Over the last 18 months or so, the Hong Kong SAR Government has attracted some 450 companies to expand their businesses in Hong Kong.

Also over the past year and a half, we have approved nearly 200 000 applications under various talent admission schemes. More than 130 000 high-flying professionals and recent graduates from world-class universities have already arrived in Hong Kong, setting up their businesses, and their future, in Hong Kong.

Our bilateral trade in goods reached about US\$1 billion last year. The free trade agreement and investment agreement between ASEAN and Hong Kong have been working successfully, for five years now. I'm confident that bilateral relations between Hong Kong and Cambodia will expand and diversify in the years to come.

To deepen our co-operation with Cambodia, ASEAN in general and other economies in the region, Hong Kong is actively seeking to join RCEP, the Regional Comprehensive Economic Partnership.

Earlier today, I had the privilege of calling on Prime Minister Manet. I took the opportunity to thank him for the hospitality of his government, and the people of Cambodia, to my visit. I also expressed my gratitude to the Cambodian Government's support of our accession request to RCEP from the beginning.

I am pleased to note that during this visit, we are signing 13 MOUs (Memoranda of Understanding) between Hong Kong and Cambodia. They cover areas ranging from business development and investment promotion, to air transport and financial co-operation.

These partnerships make abundantly clear our hopes for broader and deeper co-operation with Cambodian business and institutions.

Hong Kong, let me add, is no less enthusiastic about the business of pleasure, of arts and culture, sports and world-class entertainment.

We are fast rising as the world's East-meets-West centre for international cultural exchange. Our West Kowloon Cultural District is one of

the world's largest cultural developments. It's home to the M+ Museum, Asia's first global museum of contemporary visual culture. Home, as well, to the Hong Kong Palace Museum, which houses rare treasures from Beijing's Forbidden City.

We are revitalising our status as the region's events capital. In the first half of the year, we held more than 100 major events, and we are featuring just as many, if not more, over the second half of the year. In short, there's something happening every day, everywhere you look, in Hong Kong.

Ladies and gentlemen, Hong Kong treasures its long-standing ties with Cambodia and ASEAN. I look forward to building on those ties, to creating rewarding opportunities for our economies, our companies and our peoples.

My thanks to the Hong Kong Trade Development Council for organising today's luncheon, together with our Hong Kong Economic and Trade Office in Bangkok. My thanks, as well, to the Cambodian Chamber of Commerce and the Hong Kong Business Association of Cambodia, for their support of today's welcome gathering.

Please enjoy this very special luncheon, and the good company all about you. I know the members of the Hong Kong delegation look forward to talking business opportunities with you. That should keep you going through today's lunch – and beyond.

I wish you all the best of business, and health, in the coming year.

Thank you.