

Speech by CE at business luncheon of Malaysia Business Community: “Partnering for Success” (English only) (with photo/video)

Following is the speech by the Chief Executive, Mr John Lee, at the business luncheon of Malaysia Business Community: "Partnering for Success" in Kuala Lumpur, Malaysia, today (July 28):

Your Excellency Minister Anthony Loke Siew Fook (Minister of Transport of Malaysia), Deputy Minister Liew Chin Tong (Deputy Minister of Investment, Trade and Industry of Malaysia), Dr Peter Lam (Chairman of the Hong Kong Trade Development Council), Honourable Ambassador Ouyang Yujing (Ambassador Extraordinary and Plenipotentiary of the People's Republic of China (PRC) to Malaysia), distinguished guests, ladies and gentlemen,

A very good afternoon to you all. Selamat tengah hari!

I must first of all thank Honourable Minister Anthony Loke for his very kind words, particularly in Cantonese. I feel very warm at heart whenever he uses his kind words in Cantonese. I think maybe the Hong Kong delegation feels the same. I agree and welcome all the suggestions by Honourable Anthony Loke regarding our co-operation. We see eye-to-eye in a lot of things and we think alike. And more than that, we act alike. He and I both wore red ties for this lunch without talking to each other before. But we talk to each other very warmly and closely and that reflects the close bonding between Hong Kong and Malaysia.

This is my first visit to Malaysia since I took office as the Chief Executive of the Hong Kong Special Administrative Region of the PRC.

It's great to be in beautiful Malaysia, to enjoy its famous hospitality. To take in the truly amazing sights and sounds of Kuala Lumpur. To marvel at the diversity in this vibrant country.

I am also grateful to Honourable Minister Loke and Deputy Minister Liew for being with us today. Your kind presence graces the occasion, and showcases the strong friendship between Hong Kong and Malaysia.

I have brought with me 30 business leaders from such fields as finance, logistics, legal services, and innovation and technology, etc. And five of the most senior officials came with me as well. Those five most senior officials join me to ensure that we tell Hong Kong story to as widely an audience as possible. We are all together on a week-long trip in ASEAN (Association of Southeast Asian Nations). We are here on a mission.

Our task is to explore successful partnerships with Malaysia and the wider ASEAN region; to take our people-to-people, business-to-business and government-to-government relations on a new and exciting level.

Unlike the famous action movie screened at the cinemas now, we are not here on an impossible mission – instead, we are here on a "Mission Possible"! With a big cast of stars in my delegation.

Let me set the scene.

Earlier this year, President Xi Jinping met with Prime Minister Anwar Ibrahim in Beijing. President Xi noted that this year marks the 10th anniversary of the establishment of the "comprehensive strategic partnership" between China and Malaysia. He urged us all to advance the steady growth of China-Malaysia relations, and strive for greater progress, injecting new impetus to promote prosperity of the two countries and the region.

In this spirit of renewed friendship, we embark on our mission here.

Our trip comes at a crucial time. Hong Kong, Asia and the world at large are on the path to normalcy, after three long-suffering years of the pandemic. But the path ahead is full of challenges. Geopolitical tensions, supply chain interruptions, and inflationary pressures have all been dragging the global economic recovery.

Consider some statistics. According to the OECD (Organisation for Economic Co-operation and Development) Economic Outlook issued last month, global GDP (Gross Domestic Product) growth this year is projected to be 2.7 per cent, the lowest annual rate since the global financial crisis in 2008, with the exception of the pandemic year of 2020.

Mainland China is a bright spot in the Outlook, with 5.4 per cent GDP growth predicted for the full year of 2023.

In Hong Kong, thanks to a strong revival of local consumption and the much welcome return of tourists, we are expecting growth of between 3.5 per cent and 5.5 per cent for 2023.

Meanwhile, Malaysia's economic performance is also most encouraging. Last year, the Malaysian economy grew by 8.7 per cent, the highest growth recorded in decades. As for the ASEAN bloc, economic growth is forecast to be 4.6 per cent in 2023.

These figures speak a simple truth – that the world's economic centre of gravity is moving eastwards. And it is crucial for us to do all we can in capitalising on this trend of robust growth in our region.

For Hong Kong, economic resilience is underpinned by the enduring success of the "one country, two systems" principle. The unique beauty of "one country, two systems" is that it also ensures that our city remains openly connected to the rest of the world.

This global connectivity is deeply rooted in our world-class financial

system, our low and simple tax system, our free port status, as well as the free flows of people, ideas and data. Hong Kong is the only city in China which practises common law. English is an official language alongside Chinese. All this is music to the ears of our international business community. It also helps to explain why Hong Kong continues to be ranked as the world's freest economy.

In fact, Hong Kong is the only place in the world where the global advantage and the China advantage converge in one single city. This convergence of advantages allows us to thrive in the Greater Bay Area development, or the GBA.

Encompassing Hong Kong, Macao and nine major cities in southern China, the GBA is home to some 86 million consumers. It has a combined GDP of about US\$1.9 trillion in 2022, equivalent to the world's 10th largest economy.

Hong Kong brings to the GBA our international experience and expertise in finance and trade, our global aviation leadership, as well as world-class professional services, to name but a few. We welcome Malaysian enterprises and entrepreneurs to partner with Hong Kong to tap into the area's promising business and investment opportunities. The GBA, with its prime geographical location, is intrinsic to the Belt and Road Initiative. In turn, this amplifies Hong Kong's capabilities as a conduit between our country and the rest of the world.

From trade, commerce, and professional services, to green finance, voluntary carbon trading, and cultural exchanges, we see manifold advantages in co-operating with Belt and Road economies, and contributing as a springboard for their better access to opportunities in China.

All these are "mission possible", with the array of "one country, two systems" advantages I have mentioned earlier.

On that note, Hong Kong is going to hold the eighth edition of the annual Belt and Road Summit come September. This high-level international event will bring together government and business leaders from around the world, and provide a valuable platform to facilitate co-operation and foster friendly relations. I sincerely welcome our friends from Malaysia to join us for this signature event.

Our invitations are certainly not confined to a single event. Last year, we introduced a series of major initiatives to better facilitate and attract enterprises and talents to Hong Kong.

We established a new Hong Kong Investment Corporation to identify and target promising investment opportunities. This is brand new. We are setting up a Co-Investment Fund of HK\$30 billion – equivalent to US\$3.8 billion – to attract companies to Hong Kong and invest in them.

We are particularly keen on attracting businesses that excel in such areas as health technology, AI (artificial intelligence), fintech and data science, to come to Hong Kong and leverage the abundant opportunities we

offer.

For professionals, a new Top Talent Pass Scheme was introduced to entice talents from around the world, to pursue their careers, establish their businesses, or simply make a home in Hong Kong.

We welcome Malaysian enterprises and talents to realise your potentials in Hong Kong, through Hong Kong. Our colleagues in Invest Hong Kong and the Hong Kong Economic and Trade Office will be happy to share with you our many partnership programmes and opportunities.

Now that our economies are getting back on track after the pandemic, we are eager to capitalise on mutually beneficial arrangements such as the Free Trade Agreement (FTA) between ASEAN and Hong Kong.

ASEAN is our second-largest trading partner in the world. The value of our merchandise trade amounted to US\$165 billion last year. Meanwhile, Hong Kong's bilateral trade in goods with Malaysia reached US\$28 billion last year, making the country our ninth-largest trading partner in the world.

We will continue to leverage our connectivity with the Mainland and international markets, to promote high-quality development for all.

To achieve that, Hong Kong is eager to join RCEP, the Regional Comprehensive Economic Partnership, which came into full force last year and is now the world's largest FTA.

We are thankful for, and would continue to count on, Malaysia's support for Hong Kong's accession to RCEP.

Hong Kong is determined to make full use of the "one country, two systems" advantages to bring common prosperity to Malaysia, as well as the rest of the RCEP community.

That is why I am pleased to be witnessing the signing of 11 MOUs (memoranda of understanding) and agreements between Hong Kong and Malaysia today. They cover a number of key areas including trade and finance, railway and property development, digital transformation and fintech.

What's more, I am delighted to note that the Malaysian Government has extended the visa-free stay period in Malaysia from one month to 90 days, for holders of the Hong Kong SAR Passport. Thank you, Malaysia!

As you all know, Malaysia has long been a popular destination for Hong Kong businesspeople and tourists. This is certainly a milestone in strengthening our economic and trade ties and reinforcing our people-to-people exchanges and friendship.

That friendship of our peoples, of course, has long been established with the popularity of Hong Kong's TV shows and pop music, in the Cantonese-speaking and wider community in Malaysia.

The friendship is also reflected by how Hong Kong cinema-goers

celebrated and shared the joy when Michelle Yeoh won multiple best actress awards globally. That reflects our common language on entertainment and friendship which has brightened up our people-to-people exchanges.

I am sure those exchanges will be filled with even more fun with our brand-new attractions. Yes, Hong Kong continues to dazzle with the signature skyline along Victoria Harbour, our vibrant wine and dine scenes filled with Michelin-starred restaurants, as well as the proximity to breath-taking views in our many country parks and hiking trails.

And now, you can also marvel at the latest additions to our cultural metropolis, such as the Hong Kong Palace Museum, which showcases national treasures from Beijing's Forbidden City, and our global visual art museum, M+. They are all situated in the burgeoning West Kowloon Cultural District, alongside other art venues by the sea.

For other ways to enjoy some fun with water, visit the Ocean Park's Water World, Asia's first all-weather, year-round waterfront water park. Or, if you are looking for other ways to chill out, Hong Kong Disneyland Resort will open the world's first and biggest themed land on the Frozen movies later this year.

Ladies and gentlemen, I am confident that our relations will continue to soar to new heights. And I invite each and every one of you to join us on our mission to explore new successful partnerships between Hong Kong and Malaysia.

I know that it will be Malaysia's Independence Day next month. As it goes in Malaysia's national motto, "unity is strength". I wish you all a happy Independence Day, and let's unite together to bring new strength to our co-operation.

Please enjoy the lunch! Thank you very much.

