

Speech by CE at China Investment Corporation Forum 2023 & Cross-Border Investment and International Industrial Cooperation Conference (English only) (with photos/video)

Following is the speech by the Chief Executive, Mr John Lee, at the China Investment Corporation (CIC) Forum 2023 & Cross-Border Investment and International Industrial Cooperation Conference today (September 20):

Mr Peng Chun (Chairman and Chief Executive Officer of CIC), Mr Zhou Xiaochuan (Member of the International Advisory Council of CIC, Vice Chairman of the Board, Boao Forum for Asia), distinguished guests from around the world, ladies and gentlemen,

Good morning to you all. It gives me great pleasure to be here today – among such renowned business, finance and investment leaders – for this year's China Investment Corporation Forum and Cross-Border Investment and International Industrial Cooperation Conference.

This is a historic occasion. It marks the first time that the CIC Forum, which turns 16 later this month, has met outside the Mainland of China. Also this year, the high-powered International Advisory Council of the CIC is convening its annual meeting in Hong Kong.

And what better location than Hong Kong to do so. This year's Forum theme, "Promotion of Global Industrial Cooperation and Sustainable Development through Cross-Border Investment", perfectly aligns with Hong Kong's strengths as a centre for allocating assets from investors around the world.

It helps that Hong Kong has an open and highly internationalised market. We offer a full range of financial products and a regulatory regime aligned with global standards.

It helps, too, that we are bestowed with the rule of law, a rich pool of talent, advanced infrastructure and the free flow of information and capital.

It all comes together within our unique "one country, two systems" principle. Under the auspices of the principle, Hong Kong is proud to be a multi-level bridge, enabling the two-way flow of capital between the Mainland and the rest of the world.

Add it up, and you can see why Hong Kong is Asia's asset and wealth management hub. Last year, we managed close to 4 trillion US Dollars in

assets, about two-thirds of which were sourced from investors outside of Hong Kong.

We are also Asia's largest hedge fund hub and cross-border wealth management centre, and the world's largest offshore Renminbi service hub.

"One country, two systems" gives us abundant and continuing opportunities. In "one country," they arise largely from our compelling integration with national development.

Over the past year, stocks under our Stock Connect scheme with the Mainland's stock market were expanded to include Exchange-traded Funds, as well as stocks of foreign companies primary-listed in Hong Kong. Then, just last month, Mainland and Hong Kong regulators agreed to introduce block trading under Stock Connect.

This will enrich existing trading channels and allow Mainland and international investors to manage their asset allocation more efficiently, and at lower costs. This boosts Hong Kong's role as Asia's investment hub.

There's more. In June, the HKEX (Hong Kong Exchanges and Clearing Limited) launched its Hong Kong Dollar-Renminbi Dual Counter Model and Dual-Counter Market-Making Programme.

Together, they support the trading and settlement of Renminbi-denominated securities in Hong Kong.

We have introduced a number of initiatives to modernise our listing regime. That includes enabling the listing of new economy companies and overseas issuers, as well as a new listing mechanism for Special Purpose Acquisition Companies, or SPACs.

In March, the HKEX launched a new listing avenue for specialist technology companies that have yet to meet the Main Board's existing profit or revenue requirements. The new regime supports the national policy of developing "new, distinctive, specialised and sophisticated" enterprises. It also offers investors additional investment choices.

Speaking of new opportunities, sustainable development is central to today's theme.

Over the next 30 years, the Asian region will require 66 trillion US Dollars in climate investment, according to market estimates. That underlines the immense international demand for green finance. And Hong Kong, I'm here to tell you, can help and fill that critical need.

Hong Kong is a leading green finance hub. Last year, total green and sustainable debt issued in Hong Kong increased by more than 40 per cent, year-on-year, reaching 80.5 billion US Dollars.

The volume of green and sustainable bonds arranged in Hong Kong last

year accounted for 35 per cent of Asia's green and sustainable bond market. Since 2019, green bonds totalling nearly 22 billion US Dollars, and involving various currencies across a variety of tenors, have been issued by the Hong Kong SAR Government.

The proceeds of these bonds are used to finance, or re-finance, projects with environmental benefits.

Since 2021, the Shenzhen Municipal People's Government has been issuing offshore Renminbi bonds in Hong Kong, totalling 15 billion Renminbi. In 2022, Hainan became the first provincial government to issue offshore Renminbi bonds in Hong Kong. This was followed by another round of offshore Renminbi bonds issued last week here, and the two rounds of issuance by Hainan totalled 10 billion Renminbi. Their green, blue, sustainable and social bond issuances enriched the range of Renminbi and green and sustainable financial products available in the Hong Kong market.

As at June 2023, the Securities and Futures Commission had authorised 195 ESG funds, with total assets of 156.5 billion US Dollars under management.

In short, we are committed to making Hong Kong a globally attractive market for investors looking to promote international industrial co-operation, contribute to sustainable development and realise a welcome return on their investment.

My congratulations, once again, to the China Investment Corporation for organising today's significant global investment gathering.

I wish each and every one of you a rewarding Forum and the best of business, and investment, in the year to come.

Enjoy your stay in Hong Kong. Thank you.

