

Speech by CE at Dinner for Hong Kong and Thai business leaders (English only) (with video)

Following is the speech by the Chief Executive, Mr John Lee, at a dinner for the Hong Kong and Thai business leaders in Bangkok, Thailand today (November 19):

Minister Sophonpanich (Deputy Minister of Education of Thailand, Dr Khunying Kalaya Sophonpanich), ladies and gentlemen,

Good evening. SA-WA-DEE-KRUB! It is my great pleasure to welcome you to tonight's dinner, which brings together business and industry leaders and innovators from Hong Kong and Thailand. And I'm delighted to be hosting this very special occasion in Bangkok, one of the world's greatest global cities.

For the first time so far, in far too long a time, we're here, in person, to enjoy the good company of you all around us. Before this night is over, we may even find time to talk about rewarding business opportunities.

Yes, business is back in Hong Kong, Hong Kong is on the international stage again. Earlier this month, we held a three-day Global Financial Leaders' Investment Summit, which you saw in the video we showed earlier. It was attended by more than 200 international leaders from some 120 financial institutions. More than 40 of those institutions were represented by their group chairperson or CEO.

That was followed by the return of the Rugby Sevens to Hong Kong, and you saw that also in the video, and this was for the first time in three years. It was a memorable long weekend of sport and revelry, on and off the pitch. Hong Kong is onstage again. And that, ladies and gentlemen, is just the beginning.

Thailand, too, is roaring back, led by domestic demand and a remarkable resurgence in tourism. Not surprising, of course, given your country's natural beauty and wealth of world-class attractions. I am certainly pleased that your vibrant and colourful country has become the destination of my first overseas visit as the Chief Executive of the Hong Kong Special Administrative Region (SAR).

In addition, to renewing the strong ties between our economies, I came to Bangkok for this year's APEC (Asia-Pacific Economic Cooperation) Economic Leaders' Meeting, which concluded today. APEC accounts for about 80 per cent of Hong Kong's total external trade. And this first face-to-face APEC Economic Leaders' Week since 2018 is certainly an encouraging sign. For that, my congratulations and heartfelt thanks to the Prime Minister of Thailand for hosting this year's gathering of APEC leaders.

This critical week is about reconnecting, about revitalising the economies of APEC in the way we know best – by ensuring that our trade and investment remains open and inclusive.

This week is also about accelerating regional economic engagement. That will help us regain momentum in economic recovery. No less vital, it will promote the sustainable and inclusive growth our economies need to weather future challenges.

Hong Kong is the world's freest, most open economy. It's in our DNA to pursue opportunities, to seek collaboration and mutually rewarding economic development.

That is why I invited this high-level business delegation from Hong Kong to join me – to join us – here tonight. Many in the delegation will be here well into Monday. Like our honourable Thai guests, they are the presidents, CEOs and senior representatives of financial, manufacturing, commercial, professional services and transportation corporations and bodies. And they look forward to deepening their connections, their co-operation, with Thailand. With you.

Allow me, for the next few minutes, to bring you up to speed on Hong Kong: where we are, where we want to be and how we can help Thai businesses find opportunities in Hong Kong and the Mainland of China.

This year marks the 25th anniversary of the Hong Kong SAR's establishment. It has been a good year for Hong Kong. While the lingering pandemic has, for the moment, stalled economic growth, our banking and financial system remains highly robust and enviably stable. Our stock market, too, is deep and liquid.

After a time of social disturbances and violence, we have entered a new era of stability and opportunity. Today, Hong Kong is once again among the world's safest cities.

Stability creates confidence. Hong Kong is now at that critical stage of advancing from stability to long-term prosperity.

The implementation of the unique "one country, two systems" principle, which also turned 25 this year, will ensure that we get there.

During his visit to Hong Kong to attend the celebration events in July this year, President Xi Jinping once again made his support of "one country, two systems" crystal clear. He said, "There is no reason for us to change such a good policy, and we must adhere to it in the long run."

Under this innovative principle, Hong Kong enjoys a low and simple tax regime, the free flow of capital, trade and investment, and no tariff barriers, all backed by the rule of law. Hong Kong exercises its judicial power independently, and we are the only common law jurisdiction in China.

Hong Kong is the only place around the world where the global advantage and the China advantage converge in a single city.

Located at the heart of Asia, Hong Kong is blessed, too, with a well-developed logistics and communications infrastructure and extensive, long-standing connections with the Mainland, with the member states of ASEAN (Association of Southeast Asian Nations), Thailand included, and with the world at large.

We are, in short, the business bridge between the Mainland and the rest of the world. That, of course, is why some 9 000 foreign and Mainland companies maintain an office in Hong Kong. And that includes nearly 40 Thai companies, two of which are listed on the Hong Kong Stock Exchange. That shows how successful and wise Thai businessmen are.

Our competitiveness is held in high regard internationally. Just two months ago, Canada's Fraser Institute again ranked Hong Kong the world's freest economy. The Institute has done so every year since the ranking was first published in 1996.

Last year, Hong Kong was also the largest centre for arranging bonds issued internationally by Asia-based entities, according to the International Capital Market Association. And the Global Financial Centres Index ranked Hong Kong's financial sector fourth in the world this year.

These, and other compelling advantages spell opportunity, for Hong Kong and for a world of companies that work with Hong Kong.

And then there's our connectivity, our deepening economic integration, with the Mainland. That distinctive reality gives Hong Kong an advantage that no other economy in the world enjoys.

The Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, launched in 2014 and 2016 respectively, allow mainland investors to trade stocks listed on the Hong Kong Stock Exchange and Hong Kong and overseas investors to do the same through Shanghai's and Shenzhen's stock exchanges.

In July, Exchange-traded Funds were added to Stock Connect. In September, the China Securities Regulatory Commission announced it would expand mutual access between the Mainland and Hong Kong markets. Measures in the works include adding the securities of overseas enterprises – those primary listed in Hong Kong – to Stock Connect. They also include the setting up of a Renminbi securities-trading counter under Stock Connect's Southbound trading, and supporting the issuance of Mainland government bond futures in Hong Kong.

These, and other initiatives to follow, will advance the internationalisation of listed companies in Hong Kong and the issuance and trading of Renminbi-denominated securities.

They also explain why Hong Kong is the world's largest offshore Renminbi business centre. We handle about 75 per cent of the world's offshore Renminbi settlement.

Thai business is welcome to make use of Hong Kong to invest in Mainland

government bonds and other Renminbi denominated investment. You certainly won't be alone.

Last year, Hong Kong was the world's third-largest centre for foreign direct investment, after the United States and Mainland China. That speaks clearly of Hong Kong's continuing attraction as a global business centre – an ideal setting for international companies eager to establish and expand their businesses.

There's more, a great deal more, thanks to China's support of our participation in key national strategies, notably the 14th Five-Year Plan, the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative.

The 14th Five-Year Plan supports Hong Kong's development in eight distinctive sectors, led by our established strengths as an international centre for finance, shipping and trade, and a regional centre for legal and dispute resolution services. In addition, it looks to Hong Kong to develop as a hub in four fast-emerging areas: aviation, innovation and technology, intellectual property trading and culture – specifically as an East-meets-West centre for international cultural exchange.

It also backs Hong Kong's integration into the country's overall plans via the Greater Bay Area, the cluster city development that brings together nine cities in southern China, along with Macao and Hong Kong. Consider this: the Greater Bay Area's population, in excess of 86 million, is about the same size as the combined population of Thailand and Cambodia.

With a per capita GDP of more than US\$22,000, the Greater Bay Area is a huge consumer market, one with a plentiful source of talent and capital for businesses to thrive in, today and throughout this 21st century of opportunities.

Hong Kong and Thailand have long been close partners. Our bilateral trade in goods grew more than 18 per cent, year-on-year, last year, reaching US\$20.6 billion. That made Thailand Hong Kong's fourth-largest trading partner among ASEAN Member States.

And with the full entry into force of the ASEAN-Hong Kong, China Free Trade Agreement and the related Investment Agreement, in February last year, our bilateral relations will surely soar in the years to come.

I see even more long-term promises, thanks to the Regional Comprehensive Economic Partnership, or RCEP. In January, when RCEP entered into force for most of its member economies, Hong Kong formally requested accession to RCEP, now the world's largest free trade agreement.

Thailand has, from the beginning, expressed support for our early accession request, I'm pleased to say, and I thank Thailand for that. Discussions will continue in the coming year, and we look forward to working with Thailand and other ASEAN member states in promoting regional integration initiatives through RCEP.

Last month, I delivered my first Policy Address. I outlined new policy initiatives for the coming year, and for the years to come, together with our guiding principles.

Hong Kong is blessed with long-term opportunities, with prospects and promises for a great variety of sectors and industries. What we need, however, are more companies, more entrepreneurs, to join us, to help move our far-reaching opportunities into the fast lane.

Which is why a range of initiatives designed to attract strategic companies, and talent to Hong Kong is at the heart of my Policy Address.

Innovation and technology will build Hong Kong's future. With that in mind, we're targeting businesses with expertise in life and health technology, AI and data science, financial technology, advanced manufacturing and new energy technology.

Before year's end, we will establish the Office for Attracting Strategic Enterprises. The Office will offer one-stop service and cover such incentives as land, tax and financing. It will also offer tailor made plans to make it as easy as possible for foreign and Mainland companies to set up their operations in Hong Kong. Thailand is most welcome. Employees of these target companies can enjoy special privileges, including help with visa applications and educational arrangements for their children.

In addition, a Co-Investment Fund of US\$3.8 billion will be created to invest in the innovative businesses of companies that look to Hong Kong for their future.

That future will include a new city straddling the boundary with Shenzhen. The Northern Metropolis will be developed as Hong Kong's own international I&T (innovation and technology) city. The Northern Metropolis will be linked with Shenzhen and help drive the Greater Bay Area's rise as a global I&T powerhouse, while contributing to the region's overall development.

Early next year, we'll begin a cross-boundary trial covering the flow of I&T material, capital, data and people between Hong Kong and Shenzhen.

Hong Kong is also emerging as a regional financial technology centre. We've come a long way in a short time. Five years ago, Hong Kong counted no more than 180 fintech companies. Today, we are home to more than 800 fintech enterprises. They offer a multitude of innovative services, from mobile payment and cross-boundary transfer, to intelligent financial consultancy and wealth management. They also include eight virtual banks and four virtual insurers.

Thanks to Hong Kong's connectivity with the Mainland, fintech and other innovative start-ups can also gain a foothold in the Greater Bay Area and other regional markets.

I invite Thai start-ups and entrepreneurs to join us in Hong Kong and the Greater Bay Area, the future of innovation and technology.

As some of you know, our MC this evening, Lee Sheung-yuen, is the Director of our Bangkok Economic and Trade Office (ETO). Sheung-yuen and his colleagues will set up one of my Policy Address initiatives – a "Dedicated Team for Attracting Businesses and Talents" – here in the next few weeks. They will be happy to tell you more about how you, and your company, or the company you dream of starting, can make a difference in Hong Kong. And how Hong Kong can make all the difference for you.

My thanks to our Bangkok ETO for organising this auspicious occasion.

This evening marks a welcome return to business – and pleasure – for Hong Kong and Thailand. And there is much we can look forward to in the coming months. That includes our Trade Development Council's signature promotion – "Think Business, Think Hong Kong" – coming to Bangkok, and Thai business, over two inspiring days in mid-July.

Now, I've got more good news for you, and for myself: dinner is about to be served.

Ladies and gentlemen, I know you will enjoy this very special evening. And I look forward to seeing you, soon, in Hong Kong.

Thank you, KHAACP-KHUN-KHRAP, and bon appetit.