

## Speech by CE at “Discovering and Realising New Opportunities in Asia” webinar (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the "Discovering and Realising New Opportunities in Asia" webinar today (November 18):

Peter (Chairman of the Hong Kong Trade Development Council, Dr Peter Lam), distinguished guests in Hong Kong and in the United Kingdom (UK),

Good morning and good afternoon. It gives me great pleasure to join this signature webinar organised by the Hong Kong Trade Development Council (TDC) as well as by the British Chamber of Commerce in Hong Kong. As Peter has told you, because of the COVID-19 situation, we could not be physically in London to enjoy the annual dinner of the Hong Kong Trade Development Council in London, which has been organised for several decades before and after Hong Kong's reunification with the Mainland of China. I still remember when I attended the TDC dinner in London for the first time in my capacity as the Chief Executive and that was September 2017, the theme of my speech, which was also supplemented by a four-minute video screened for the first time during that occasion, was "the best of Hong Kong is yet to come". I thought that was quite well-received by the guests at the dinner and also subsequently when we showed this video on other occasions. More than four years have gone by and today, you have to forgive me, I am going to convey the same message that the best of Hong Kong is yet to come. But on this occasion, I am conveying that message to you with more certainty, more confidence, and more optimism. In the next few minutes, I will try to give you the reasons for my confidence and optimism in a very succinct manner because I have only a few minutes to tell you about this very lengthy journey that Hong Kong has gone through since my last attendance at the Hong Kong TDC dinner in London.

The first reason for my confidence and optimism, which will underline Hong Kong's continued success, is "One Country, Two Systems". Hong Kong is an inalienable part of the People's Republic of China. Our audience and our friends in the United Kingdom should know better than most other people in other parts of the world about the importance of "One Country, Two Systems", which has underlined Hong Kong's success in the last 24 years. "One Country, Two Systems" being such an innovative concept and Hong Kong being such a free and internationally connected society, we did experience problems along the way. But now, we are back on the right track of "One Country, Two Systems" as a result of two very decisive decisions and actions taken by the Central Authorities in response to the unprecedented challenges that Hong Kong has encountered in the latter half of 2019 – the global COVID-19 situation has given us other challenges. These two important decisions are the enactment

and implementation of the National Security Law on June 30 last year and the decision to amend Annex 1 and Annex 2 of the Basic Law to improve Hong Kong's electoral system in order to ensure that it will be "patriots administering Hong Kong".

By now, I suppose many of you are quite familiar with the provisions in the National Security Law, and have heard and read about the enhancements to the electoral system, because under this improvement we have already had one round of public election – the election of the 1 500-member Election Committee, which is now far more broadly representative. In less than four weeks' time, on December 19, we will have the seventh-term Legislative Council Election and then on March 27 next year, it will be the election of the Chief Executive of the Hong Kong Special Administrative Region (HKSAR). In case you have read something negative about these important decisions, let me clarify that once and for all. The National Security Law is not "draconian" at all, as described by some of the western media. We have done a very detailed comparison of the National Security Law that Hong Kong has with those adopted in other parts of the world, including the United States, the UK, Singapore, New Zealand and Australia. And ours, I would say, is not draconian at all, and at the end of the day, this piece of legislation only targets four very well-defined offences undermining national security. We have implemented this law in Hong Kong by the Hong Kong authorities. The investigation is done by the Hong Kong Police, prosecution by the Hong Kong Department of Justice and trial by the Hong Kong courts. After almost one and a half years, it is for all to see that the National Security Law has not stifled any rights and freedoms of individuals in Hong Kong. Quite on the contrary, it has protected and safeguarded the rights and freedoms of the great, great majority of the Hong Kong people so that they now feel at ease and very safe to go out to travel on the Mass Transit Railway and also to speak their mind about the issues that they have a particular view. Indeed, under the National Security Law, Article 4 specifically provides for the safeguarding of human rights and freedoms as enshrined in our Bill of Rights Ordinance and also in the international covenants as applied to Hong Kong.

Coming to the improvements to the electoral system, the only purpose is to ensure that Hong Kong, being a part of China, is going to be administered by people who are patriotic to the nation. That is not a very ambitious or very unreasonable requirement. I'm sure all over the world, one would like to see their parliamentarians being people who are patriotic to the nation, who are prepared to swear allegiance to the Hong Kong Special Administrative Region and to uphold the Basic Law of Hong Kong, and Hong Kong being a part of the People's Republic of China. What's more, we have been telling people and I'm sure in time to come it will be proven once the new Legislative Council assumes office, that it is not a "yes" chamber. We are not expecting the 90 members of our Legislative Council to be all, sort of, "pro-government", that they will not object to any government policies or initiatives, that they will always vote "yes" whenever there's a government proposal – that will not be the case. I'm sure the 90 members coming from a broad-based electorate will make sure that they are serving the best interests of Hong Kong and the executive led by the Chief Executive will certainly work with the legislature.

That is the basis of my confidence and optimism, and we could now be very certain that as Hong Kong moves forward, we will continue to enjoy the benefits and privileges under "One Country, Two Systems", because the paramount concept of "One Country" is now being safeguarded. Hong Kong will no longer be a gaping hole for external forces or for the anti-China elements to undermine national security through all sorts of activities in Hong Kong. And we will have a reasonably sensible and pragmatic Legislative Council to work with the executive in order to take forward many of the policy priorities and measures to improve the business environment that we want to introduce.

The second reason for my optimism is, again despite all the things that you have read and heard from the western media, Hong Kong's traditional strengths and Hong Kong's core values have not been undermined. If any, they have been strengthened – as I have mentioned about law and order, safety and so on. Hong Kong's strengths and core values – I know them very well, you know them very well – they are the rule of law, the independence of the judiciary, the freedoms and the rights, as well as our international connectivity and the robust regulatory regime in the financial systems and in other areas, which are not interfered by the Government. Coming to the rule of law, again to the UK audience, the best evidence lies in our continued privilege to have illustrious judges in the United Kingdom serving on the Court of Final Appeal (CFA). Next Monday, I am going to administer the swearing-in ceremony of the Right Honourable Lord Hodge, who has accepted my appointment to sit on the Court of Final Appeal. Actually, his appointment took place after the National Security Law was in place. That's very good evidence that – I'm not saying that CFA judges are pro-HKSAR Government – they have confidence in the independence of our judicial system that it will not be interfered by the Government or by the Central People's Government, and hence they are willing to be associated with our Court of Final Appeal. And of course, other CFA judges from overseas common law jurisdictions have accepted my re-appointment in the last 12 months or so.

Talking about the financial system, Hong Kong is a very important international financial centre but there's always room to enhance our role as an international financial centre. In the last few years, we had the Insurance Authority coming into place to regulate insurance companies in Hong Kong. We have recently enacted a piece of legislation to move on to full-fledged regulation of professional accountants in Hong Kong by the Financial Reporting Council. This will really put Hong Kong on par with international standards all over the world.

I can continue to quote to you a lot of indicators which prove the point that I have made that Hong Kong's competitive strengths have not been eroded. For example, we are still ranked as the world's freest economy by the Fraser Institute this year. We have regained the world's No.3 as a global financial centre, which we have lost in the last two years, but now this year the latest index gave us back the world's No. 3, after New York and London. And we are the sixth-largest trading economy in the world and in terms of foreign direct investment, both inflow and outflow, we are the world's No. 3 and No. 4. All these indicators show that nothing that I'm proud of and that you

attach importance to has changed or been undermined in the last two years as a result of the National Security Law or other things that have happened in Hong Kong.

Hong Kong is a very important stock market – we are the world's fifth largest. What is exciting is the changes that we have made to the listing regime in 2018. As a result, we are seeing more new tech companies. We are the world's No. 2 in terms of biotech listing, and we are welcoming back a lot of Mainland enterprises which are seeking secondary listing in Hong Kong. To me, because my Government attaches importance not only to the traditional economy, but also to new areas like innovation and technology, and art and culture, I'm very pleased to share with you that as a result of the things that we have done, we are now ranked as the world's No. 2, after only the United States of America in terms of digital competitiveness by the Institute of Management Development in Switzerland. And in terms of culture, Hong Kong was the world's No. 2 in terms of art auction value last year, after New York.

All these wonderful things have given me the confidence that as we move forward, we should definitely be doing better because of the third factor. The third factor is the continuous, staunch support from the Central People's Government. This year was the beginning of the 14th Five-Year Plan of our nation, which was promulgated in March this year. And as usual, there is dedicated reference to Hong Kong in the 14th Five-Year Plan along with Macao, but this year we have been given far more than we have seen in the last two Five-Year Plans. In addition to supporting Hong Kong to continue to enhance and strengthen our role as an international finance, trading, transport and legal hub, for the first time, we've got reference in the national plan to the development of an international innovation and technology centre, an East-meets-West cultural exchange hub, an IP trading hub in Asia-Pacific and an international aviation centre, as we will shortly welcome the third runway and the third runway system in the Hong Kong International Airport. On top of that, we have been implementing for two years already the Guangdong-Hong Kong-Macao Greater Bay Area, which provides abundant opportunities with an economy which is bigger than the whole of Australia or the whole of Korea, and with a growing population now already amounting to 85 million people. The nation's support really goes beyond just finance, trade and technology. Shortly after the Tokyo Olympic Games, when our athletes have done so well and after they have attended the National Games in Xi'an, the Central Government has endorsed that Hong Kong, Macao and Guangdong will co-organise the 15th National Games in 2025.

Let me finish by saying the fourth factor which has a lot to do with myself as the Chief Executive. I'm coming to the end of my five-year term. In the last four and a half years, I've been advocating a proactive government, especially because the HKSAR Government used to be preaching "small government" and non-intervention. The time has come – I said four years ago – for us to be far more proactive in order to strengthen our international competitiveness. We have adopted many, many policy initiatives in quite a range of areas, particularly in innovation and technology, investing over \$130 billion in the past four years, rolling out a lot of tax measures, and

also legislation to support Hong Kong's role as an international financial centre, particularly in asset and wealth management. Because we know that there's a lot of wealth in Asia, that's why you need to look at and realise these opportunities. Year-on-year, in 2020, we have seen a 20 per cent increase in assets under management in Hong Kong. This is bound to grow with the launching of the Cross-boundary Wealth Management Connect Scheme in Guangdong-Hong Kong-Macao Greater Bay Area in September this year.

That's where I want to end. On this occasion, four years and two months after my last attendance in the London TDC dinner, I'm still preaching the same thing, that is: the best of Hong Kong is yet to come. But on this occasion, Hong Kong's future is grounded in a very solid foundation. I welcome you to come and discover and realise the many new opportunities in Hong Kong. Thank you very much.

