

Speech by CE at Global Financial Leaders' Investment Summit (English only) (with photos)

Following is the speech by the Chief Executive, Mr John Lee, at the Global Financial Leaders' Investment Summit today (November 7):

Honourable Vice Premier He Lifeng (Vice Premier of the State Council), Deputy Governor Zhang Qingsong (Deputy Governor of the People's Bank of China), Vice Minister Xiao Yuanqi (Vice Minister of the National Financial Regulatory Administration), Vice Chairman Wang Jianjun (Vice Chairman of the China Securities Regulatory Commission), Deputy Director Yin Zonghua (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR)), Acting Commissioner Li Yongsheng (Acting Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR), Mr Eddie Yue (Chief Executive of the Hong Kong Monetary Authority), distinguished guests from around the world, ladies and gentlemen,

Good morning to you all. Welcome to the Global Financial Leaders' Investment Summit, the second edition.

As some of you will recall, I called last year's inaugural edition the "Hong Kong Onstage Again Summit".

Well, a year later, and Hong Kong is not merely onstage. We are at the centre of the world stage, creating opportunities for a world of business, finance and investment. That's why you're here – some 300 decision-makers from all over the world, including more than 90 group chairpersons and CEOs from prominent financial institutions.

Some of you also have a longstanding business presence here. And you want to build on that business, expand your operations in Hong Kong, in the Mainland of China and throughout Asia.

That is what this Summit is all about, and that is why you can see the flourishing future of Hong Kong, one that is made possible, thanks to the city's own strengths, and to the fact that it connects the world with the Mainland of China. Because, simply put, Hong Kong means prosperity.

Four years ago, Hong Kong was hit by riots and violence. This was then followed by years of the COVID-19 pandemic. Now, we have put an end to the riots and stability has returned, and we have emerged from the pandemic. Businesses can plan ahead. So, too, can investors.

In the past two years, initial public offering funds raised here reached nearly 85 billion US Dollars. Our asset and wealth management business at the end of 2022 reached just under 4 trillion US Dollars – higher than our 2019

total. We are also Asia's hedge fund hub and the region's second-largest private equity centre.

In short, the global financial community believes in Hong Kong. In the long-term promise of Hong Kong.

That's why this year's Hong Kong Fintech Week, which ended just two days ago, attracted some 30 000 financial professionals, in person and online, from more than 90 economies. It was a successful and very popular event.

Yes, Hong Kong is back in business, but, like the rest of the world, we are "Living with Complexity" – the resonating theme of this year's Summit.

The world today is more complex and challenging than ever.

Certainly, the "low inflation, low interest rate" environment of the past decade seems completely behind us now, replaced by a macro-environment dominated by higher rates. That, in turn, has dampened demand for exports, widely blunting economic growth. And geopolitical risks continue to proliferate, squeezing international trade and complicating global supply chains.

Hong Kong, a free and open economy, is hardly immune to global economic headwinds.

What distinguishes and sustains Hong Kong is our "one country, two systems" framework. Through that guiding principle flows Hong Kong's common law system – the only such jurisdiction in China. As many of the major financial centres around the world practise common law, this commonality in our legal systems creates more certainty and understanding for all. It adds to the unique strengths of Hong Kong, as a leading international financial centre.

Together, "one country, two systems" and the rule of law tell the world that Hong Kong is, and will remain, the gateway between the Mainland and global markets, the conduit for the continuing flow of capital between Hong Kong, our country and the world at large.

In the World Bank Group's Worldwide Governance Indicators, Hong Kong ranks third in Asia in the rule of law.

And in this year's "Rule of Law Index", published by the World Justice Project, Hong Kong placed 23rd out of 140 countries and jurisdictions. What does it mean? It means that we are in the top 20 per cent, in terms of the rule of law, among all countries and jurisdictions sampled around the world. And this ranking, as you would notice, is ahead of some European countries and the US.

Our Court of Final Appeal includes 11 overseas, non-permanent judges. They come from the United Kingdom, Australia and Canada. No other jurisdiction opens its judicial doors to others. I don't think it happens in your countries, for example. This shows what? This shows how Hong Kong is fully transparent and open in this regard, and that we are both proud of and

confident in our judicial system.

Hong Kong is also a centre for international legal and dispute resolution services, ranked among the world's top three most-preferred seats for arbitration.

Numerous international legal and dispute resolution bodies are based in Hong Kong, including the Asia-Pacific Regional Office of the Hague Conference on Private International Law. The International Organization for Mediation Preparatory Office opened here earlier this year. The Organization will be the first intergovernmental legal organisation dedicated to offering mediation services for international disputes.

Given these, and other institutional safeguards, you can continue to place confidence in Hong Kong.

Indeed, Hong Kong remains among the most competitive economies in the world, this year ranked seventh, globally, by the International Institute for Management Development.

Earlier this year, the International Monetary Fund (IMF) reaffirmed Hong Kong's standing as an international financial centre. The IMF recognised Hong Kong's robust institutional framework, substantial capital and liquidity buffers, high-quality financial regulation and well-functioning Linked Exchange Rate System.

For the past seven years, Hong Kong has been the largest centre for arranging international bonds by Asian issuers. And we remain Asia's largest hub for green and sustainable bonds, capturing 35 per cent of the market.

We are committed, as well, to the growth of family offices in Hong Kong. Plans include encouraging at least 200 family offices to set up or expand their business in Hong Kong by 2025.

A dynamic capital market is essential to our continuing success as an international financial centre. To that end, I announced a number of measures to boost our stock market in my annual Policy Address two weeks ago.

They include reducing stamp duty rates on stock transactions and reviewing the stock-trading spread and fee structure of real-time data services.

As for GEM (Growth Enterprise Market), which is our second stock market board, we will streamline transfers to the Main Board, adding a new listing route for R&D companies and reducing compliance obligations for issuers.

And HKEX will promote Hong Kong's listing platform to overseas issuers, including those in the ASEAN and Middle East markets. The goal is attracting more corporations to raise capital here and, in doing so, diversify Hong Kong's issue mix.

We are also implementing the Capital Investment Entrant Scheme to

attract capital from abroad and strengthen the development of our asset and wealth management business, financial services and related professional services.

Over the past year, I have led high-profile business missions to the Middle East and to Southeast Asia. Our trade with ASEAN countries continues to grow, soaring almost 40 per cent since the signing of the free trade agreement (FTA) between ASEAN and Hong Kong in 2017.

The 10-member states of ASEAN are also founding members of RCEP, the Regional Comprehensive Economic Partnership. And in my meetings with the ASEAN government leaders, they all reaffirmed their support of Hong Kong's accession to RCEP, the world's largest FTA.

We continue, as well, to deepen our economic and financial ties with the Mainland and, in particular, with the Greater Bay Area.

You'll hear a great deal more about it, and the far-reaching opportunities there for you, at today's Summit and tomorrow's investment forum.

But alongside the business of finance and investment, make time, too, for the business of pleasure. You'll find it everywhere you turn in Hong Kong, Asia's global city, arts, culture, entertainment and fun city.

My thanks, and my congratulations, to the main organiser of this year's Summit, the Hong Kong Monetary Authority, which turned 30 this year. A very good year, as I recall.

I wish you all a rewarding Summit, a memorable stay in Hong Kong and the best of business, finance and investment in the coming year.

Thank you.

