

Speech by CE at HKGCC International Business Summit (English only)

Following is the speech by the Chief Executive, Mr John Lee, at the HKGCC International Business Summit today (November 28):

Ms Agnes Chan (Chairman of the Hong Kong General Chamber of Commerce), Consuls-General, business leaders from around the world, distinguished guests, ladies and gentlemen,

Good morning. It's a pleasure to be here with you, once again, at the International Business Summit.

My congratulations to the Hong Kong General Chamber of Commerce for organising this Summit, now into its milestone 30th year. Established in 1861, the Chamber's roots run long and deep in the Hong Kong economy and community. Throughout the years, the Chamber remained committed to creating exchange platforms for different sectors, and this Summit is testament to your dedicated efforts in fostering exchange.

In an ever-changing world, this year's Summit brings together some 400 prominent and influential professionals from Hong Kong, the Mainland and around the world. You're here to discuss the future of business, and Hong Kong's place in that future.

The Summit's theme is "Shifting Economic Center of Gravity: Hong Kong's Role". As today's programme underlines, more and more businesses are turning to new areas of growth in emerging markets, such as ASEAN states and the Middle East – Hong Kong companies, and the Hong Kong SAR Government, are very much among them.

Under the "one country, two systems" principle, Hong Kong has long been a "super connector" and "super value-adder", creating opportunities in both traditional and emerging markets. It helps that we have long proved ourselves in international trade and co-operation, and continue to do so.

This year, for example, we were once again ranked the world's freest economy. And we were named the world's third-largest financial centre in the latest Global Financial Centres Index. Earlier this year, the World Competitiveness Yearbook ranked Hong Kong fifth among 67 economies. That's up from seventh last year. And the Index covers political, cultural and other dimensions, as well as GDP and productivity.

In short, Hong Kong remains among the most liberal and easiest places in the world to do business.

These, and many other advantages, make Hong Kong a natural bridge for ASEAN and Middle East businesses and investors looking to Mainland markets

and opportunities.

Hong Kong, of course, has long enjoyed mutually beneficial trade and economic relations with ASEAN. Indeed, ASEAN is our second-largest goods partner, with total trade reaching US\$145 billion last year.

In 2022, ASEAN was our sixth-largest source of inward direct investment and third-largest destination of our outward investment. Hong Kong, let me add, is home to about 650 offices with parent companies located in ASEAN.

And we expect those numbers to grow in the coming years, given the ASEAN-Hong Kong, China Free Trade Agreement and related Investment Agreement, both of which came into force in 2021.

Our FTA with ASEAN also made possible the Economic and Technical Cooperation Work Programme, set up for best practice sharing and capacity building.

I am pleased to say that the Hong Kong SAR Government supports an extension of the Work Programme, with enhanced financial contribution. This will strengthen our people-to-people ties and enhance the region's overall competitiveness.

Talking about people-to-people ties, I led a high-level delegation to Laos, Cambodia and Vietnam this summer, following my visit last year to Singapore, Indonesia and Malaysia.

Nearly 90 co-operation documents were signed between Hong Kong and these economies, covering a welcome variety of industries, areas and institutions. Each in its own discrete way injects fresh impetus into our long-term collaboration with the member states of ASEAN.

We have, let me add, relaxed the criteria for Cambodian, Lao, Myanmar and Vietnamese nationals applying for multiple-entry visas to Hong Kong, either for travel or business. We have also extended their validity period from two to three years.

And we will provide self-service immigration clearance for invited visitors here for business, development and other activities from ASEAN countries, making it more convenient for our ASEAN friends to come to Hong Kong.

I believe that the next natural step in our growing ties with ASEAN is for Hong Kong to become a member of RCEP, the Regional Comprehensive Economic Partnership. RCEP, the world's largest FTA, includes all 10 member states of ASEAN.

I am pleased to note the RCEP Joint Committee's adoption in September of an accession protocol for new members. That milestone underlines RCEP's determination to be open and inclusive.

As a champion of free and multilateral trade, Hong Kong is fully prepared to join RCEP. Doing so will boost our ties in trade and benefit companies and investors throughout the nations of ASEAN and RCEP. And I continue to count on business leaders like your good selves – people who know Hong Kong well and appreciate the value that Hong Kong can add to RCEP – to speak up in support of our accession bid.

We are also expanding our connection with other economies. The Middle East is among our priorities.

I visited the Middle East in February last year and, since then, we have been reaching out to governments, businesses and investors throughout the region.

Developments are encouraging. Our merchandise trade with member states of the Cooperation Council for the Arab States of the Gulf grew 15 per cent from 2022 to 2023 year on year. And we signed an Investment Promotion and Protection Agreement with Bahrain in March, Hong Kong's third IPPA with a Middle East country, following agreements with Kuwait and the United Arab Emirates.

In my Policy Address last month, I introduced various measures to create a welcome environment for Middle East and ASEAN visitors, including providing information at the airport in Arabic, compiling a list of restaurants offering halal food, and encouraging more commercial establishments to provide worship facilities in hotels. We want our visitors from the Middle East and from ASEAN to feel at home here in Hong Kong.

We are making progress, too, in Latin America. Earlier this month, I visited the beautiful city of Lima, the capital of Peru, for the APEC Economic Leaders Meeting. While I was there, I witnessed the signing of a free trade agreement between Hong Kong and Peru.

With a burgeoning consumer market and continuing infrastructure development, Peru presents tremendous market potential.

In 2012, we signed an FTA with Chile. Adding Peru now will reinforce the message to other Latin American economies that Hong Kong is ready, and eager, to build closer economic ties throughout the region.

When it comes to new centres of economic growth, our country certainly shines on the global stage. With our prowess in professional services, Hong Kong is the place for a world of investors to grasp the opportunities of the Mainland market.

We recently signed an amendment to the Agreement on Trade in Services under CEPA, the Mainland and Hong Kong Closer Economic Partnership Arrangement. The revised agreement will offer expanded liberalisation measures across several service sectors where Hong Kong enjoys competitive advantages.

Hong Kong-invested enterprises will be allowed to adopt Hong Kong law and choose Hong Kong for arbitration in the GBA.

And the three-year requirement for business operations in Hong Kong to qualify as a service supplier for most sectors has been removed. That will allow companies and entrepreneurs from around the world to use Hong Kong as their base for exploring the Mainland market, enjoying preferential CEPA treatment much faster.

To tap into the Mainland market, you need to look no further than the Guangdong-Hong Kong-Macao Greater Bay Area, a cluster city development that brings together Hong Kong, Macao and nine cities in Southern China.

With a population of 86 million, the GBA has a combined economic output of nearly US\$2 trillion last year, rivalling the world's 10th largest economy. Its potential is not to be missed. And Hong Kong is your gateway to this economic powerhouse.

That's why earlier this week, I led a high-level delegation to visit Mainland cities of the GBA. I'm glad to note that Chairman Agnes Chan was part of the delegation too, among other prominent business leaders from Hong Kong. We all work very hard, with ease and without ease. There, we promoted to our Mainland counterparts the wide range of professional services on offer in Hong Kong, as we go global and seize a world of opportunities together.

And more good news. As announced in my Policy Address, the multiple-entry visa for foreign staff of Hong Kong-registered companies has been extended to a maximum of five years. Meanwhile, the new Mainland Travel Permit for non-Chinese Hong Kong Permanent Residents, launched by the Central Authorities in July, is well received in the community. Some 20 000 permits have been issued to non-Chinese permanent residents in our city. With the permit, our large population of permanent residents with foreign nationalities could more conveniently visit the Mainland for business, leisure, or visiting their families and friends.

These are just a few of the advantages Hong Kong can offer to overseas investors. They highlight our singular advantage under "one country, two systems". In so many ways, Hong Kong is your great connector.

It helps, too, that we can count on our Hong Kong chambers and institutions, and so many other organisations and individuals – people like you, every one of you – who believe in Hong Kong, in our heritage, in what we've accomplished and in the flourishing future we are working to realise, for us all.

My thanks, once again, to the Hong Kong General Chamber of Commerce for organising this essential gathering.

Ladies and gentlemen, I wish you a rewarding Summit and the best of business and health in the year to come.

Thank you.