

Speech by CE at Hong Kong Quality Assurance Agency Online Symposium – Sustainable Finance Hong Kong 2020 (English only) (with photo/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Hong Kong Quality Assurance Agency (HKQAA) Online Symposium – Sustainable Finance Hong Kong 2020 today (October 23):

Engineer C S Ho (Chairman of the HKQAA, Mr Ho Chi-shing), Mrs Laura Cha (Chairman of the Hong Kong Exchanges and Clearing Limited), distinguished guests, ladies and gentlemen,

Good afternoon. It is a great pleasure to speak to you today at the Hong Kong Quality Assurance Agency's Sustainable Finance Symposium. HKQAA celebrated its 30th anniversary last year and I am pleased to witness the Agency's proactive approach in supporting various policy initiatives of the HKSAR Government where quality assurance is pivotal. How economies should develop their financial services in a sustainable manner is clearly on our agenda.

Many global problems that governments around the world are coping with call for sustainable development. To name a few, climate change, water shortage, food supply and as illustrated by the COVID-19 pandemic, public health. Sustainable development needs funding and investment and we are seeing growing demands for financial options and solutions. The Organisation for Economic Co-operation and Development estimates that as much as US\$7 trillion will be needed each year up to 2030 to meet climate and development objectives. In our own country, there is also strong demand for green funding in recent years as ecological civilisation has been made one of the top priorities in national development. Public funds alone will not be sufficient to meet the exponential growth in sustainable investment, and we need the private sector to bridge that funding gap. Being an international financial centre, Hong Kong is well positioned to offer the needed financial services and capture the opportunities available.

Our advantages are clear and compelling. They include a sound legal and regulatory system, deep and liquid capital markets, a robust financial infrastructure and a wealth of financial intermediaries and talent. However, in a highly competitive situation, the HKSAR Government has to play a leading and proactive role to develop Hong Kong into a hub for green finance. And we have lost no time in implementing those needed measures.

In November 2018, we obtained the Legislative Council's approval for Government to launch a green bond issuance programme with a borrowing ceiling of HK\$100 billion. The inaugural green bond under this programme was issued

in May 2019.

In June 2018, the Government launched the Green Bond Grant Scheme to subsidise eligible green bond issuers in obtaining certification under the HKQAA's Green Finance Certification Scheme. In the year 2019, a total of US\$10 billion of green bonds are arranged and issued in Hong Kong, which was over three-fold of that in 2017.

In September 2018, I witnessed the setting up of the Hong Kong Green Finance Association, bringing together some 100 market practitioners and business front runners to promote Hong Kong as a green finance capital.

Earlier this year in May, my Government and financial regulators established the Green and Sustainable Finance Cross-Agency Steering Group. It provides strategic direction and co-ordinates regulatory and market development efforts, underlining our commitment to green and sustainable finance in Hong Kong. Even before that, the Hong Kong Monetary Authority has already been promoting green and sustainable banking as well as responsible investment.

Later this year, the Hong Kong Stock Exchange will launch the Sustainable and Green Exchange. STAGE, as it's known, will rise as a central hub for data and information on sustainable and green-finance investment. It's the first-of-its kind in Asia.

HKQAA has been one of our most supportive partners in promoting green finance from day one. Apart from taking the initiative to introduce the Green Finance Certification Scheme, the Agency also recently launched the COVID-19 Resilience Finance Certification Scheme to encourage issuers to invest in projects related to COVID-19 prevention, control and recovery. I am also pleased to note that the Agency rolled out the Anti-Epidemic Hygiene Measures Certification Scheme earlier this month, encouraging high hygiene standards to combat the pandemic. As a start, the Agency is partnering with the Hong Kong Tourism Board to encourage tourism-related businesses to take part. Hopefully it will contribute to the recovery of the tourism industry under the "new normal".

Beyond Hong Kong's boundaries, we are perfectly positioned to serve as the Greater Bay Area's green finance centre. We also play an indispensable role in the Belt and Road Initiative, as the major centre from which to raise funds for sustainable infrastructure, investment and production projects.

Ladies and gentlemen, Hong Kong is our country's international financial centre and the business and investment bridge between the Mainland, particularly the Greater Bay Area, and the rest of the world. These, and other enormous opportunities, will continue to benefit Hong Kong. Our success, in short, is both sure and sustainable.

My thanks to the Hong Kong Quality Assurance Agency for organising today's Sustainable Finance Symposium. I wish you all a rewarding day and look forward to seeing you face to face in the near future. Thank you.

