

# Speech by CE at HSBC Global Investment Summit (English only) (with photo/video)

Following is the speech by the Chief Executive, Mr John Lee, at the HSBC Global Investment Summit today (April 8):

Mark (Group Chairman of HSBC, Mr Mark Tucker), Mr Noel Quinn (Group Chief Executive of HSBC), distinguished guests from around the world, ladies and gentlemen,

Good morning. I am delighted to be here, to have this welcome opportunity today to address HSBC, as well as many of its most important clients around the globe. I know they include some 4 000 of you – high-profile institutional investors, corporate leaders and wealth managers from some 40 countries and regions.

That makes this three-day Summit among the biggest events HSBC has ever organised, anywhere in the world.

And that's going back to the establishment of its very first bank, right here in Hong Kong, in 1865. Ladies and gentlemen, as you would know, here in this world city, many of us, old and young, affectionately call HSBC the "Hong Kong Bank". That's because this truly global bank, serving more than 40 million customers from over 60 countries and territories, has been through thick and thin with Hong Kong for almost 160 years.

This is also HSBC's inaugural Global Investment Summit. No doubt, one of the greatest sports shows on earth – the annual Hong Kong Sevens rugby tournament, which ended yesterday in a blaze of revelry – has something to do with that. I'm sure many of you enjoyed the games, the friendship, the parties – and the party cheer, too!

I'm sure, as well, that HSBC wanted you to see for yourself, first-hand, what Hong Kong has been up to, and, more importantly, where we're going as an economy, as a financial centre, as a global city, and as home to the "Lion Rock spirit." I am not talking about the well-loved lion sculptures that adorn the entrance of the bank's headquarters here in Central, but the "can-do" spirit that speaks to the persistence of the people of Hong Kong.

And that's what I am going to share with you in the next few minutes.

Let me begin with the financial lion in the room: yes, I'm talking about our stock market, which has consolidated through most of the past year. While some have voiced their disappointment over what could well be short-term market volatility, others have expressed strong confidence in Hong Kong, and the abundant opportunities ahead of us – there for all of us.

Hong Kong never rests on its laurels, even at the best times. At the less-than-best of times, Hong Kong remains in the game. Ladies and gentlemen, you can always bank on the resilience and perseverance of the people of Hong Kong.

The Hong Kong SAR Government is committed to enhancing our market's competitiveness and liquidity. We're implementing a host of measures recommended by a task force of experts. They include reducing the stamp duty on stock transfers and streamlining our listing regime, targeting specialised technology sectors to boost competitiveness. And we're considering additional measures, from improving the transaction mechanism, to boosting investor services and stepping up market promotion.

As the measures take hold, and the macro-environment improves, so, too, will the sustainable development of the Hong Kong stock market. Of that, I have no doubt.

To put it in a larger context, at the end of 2023, our stock market had a capitalisation of almost US\$4 trillion. That's more than 10 times Hong Kong's GDP. We also remain among the world's top fundraising destinations.

And our long-term prospects are bright and wide-ranging, under the unique "one country, two systems" principle.

Thanks to "one country, two systems", Hong Kong seamlessly connects economies, companies and people from around the world with Mainland China. The principle ensures the continuous growth of Hong Kong's long-standing institutional strengths, from the rule of law and the world-renowned judiciary backed with independent judicial power, to the free flow of capital, people and information, a low and simple tax regime, and much more. Collectively, these longstanding advantages enable Hong Kong to play a unique role as a "super connector" and "super value-adder" between the Mainland and the rest of the world.

In the National 14th Five-Year Plan, we are blessed with an abundance of opportunity – today, tomorrow and long down this 21st century road of far-reaching promise. In all, Hong Kong has been tasked with developing regional and global excellence in eight very distinctive areas. Let me touch on three of those areas now, namely finance, innovation and technology, and arts and culture.

Starting with finance. Hong Kong continues to build on its well-established position as an international financial centre.

We continue to increase mutual market access with the Mainland. Northbound trading on Swap Connect was launched last year, becoming the world's first mutual-market-access scheme for derivatives.

We are working to reinforce Hong Kong's status as the world's offshore Renminbi hub. About three quarters of all offshore Renminbi payments are

processed right here in Hong Kong. Well over 20 major stocks available in Hong Kong can now be traded in both Hong Kong Dollars and Renminbi, giving holders of offshore Renminbi more investment choices.

The asset and wealth management sector is a policy priority of the Hong Kong SAR Government. We are Asia's largest hedge fund centre and second-largest private equity centre.

At the end of 2022, we managed nearly US\$4 trillion in assets, two-thirds of which came from outside Hong Kong. The net inflow of funds domiciled in Hong Kong surged to over US\$11 billion last year, a year-on-year increase of 93 per cent –almost double.

Hong Kong is home to the largest population of ultra-high-net-worth individuals in the world, according to recent industry figures.

And Hong Kong's doors are wide open to family offices. We are now home to some 2 700 family offices. The multiplier effect that family offices can create for Hong Kong is tremendous. It is not simply about channelling big chunks of money to Hong Kong's capital markets. Family offices also stimulate demand for financial and other professional services, while creating more high-quality jobs. That, in turn, benefits the whole of Hong Kong's economy.

Which is why we welcome potential investors to set up family offices in Hong Kong. Less than two weeks ago, we held our second annual Wealth for Good in Hong Kong Summit, attracting more than 400 decision-makers. They came from global family offices on the Mainland and throughout Asia, as well as Europe, the Americas, the Middle East and beyond.

We believe, too, in green and sustainable finance. In 2022, the total green and sustainable debt issued in Hong Kong, including bonds and loans, soared to US\$80.5 billion – up more than 40 per cent over the previous year.

We are determined to sustain our green bond issuances, extend our green-debt support to transition products, promote green fintech, and help companies and financial institutions in their sustainability reporting. Last month, we issued a vision statement on the development of a sustainability disclosure system. We are committed to becoming among the world's first jurisdictions to align local sustainability disclosure standards with those of the International Sustainability Standards Board.

Innovation and technology (I&T) is central to our future. And talent is essential to realising that ambition.

We're determined to attract a world of strategic talent. Last month, we held our second partnership-signing ceremony in less than six months through our Office for Attracting Strategic Enterprises. Call it OASES. Through OASES, some 50 high-powered, high-tech companies have now chosen Hong Kong either to set up or to expand their business. In turning to Hong Kong for their future, they're bringing more than US\$5 billion in investment to our economy, while creating some 13 000 jobs over the next few years.

And that's just the beginning. Their presence here will help attract a wealth of related companies to Hong Kong, and that can only boost our fast-rising I&T sector.

Hong Kong has long boasted a multi-lingual and multi-talented workforce. To support the rapid growth of our enterprises, we are also bringing in global talent and professionals. It's encouraging to note that our enhanced talent admission regime, launched in the end of 2022, has already attracted 110 000 professionals to Hong Kong.

We will continue, as well, to nurture our local startup sector, which rose last year to more than 4 200 firms – up 34 per cent from just four years ago. About 26 per cent of our startups came from outside Hong Kong.

And we will boost the compelling collaboration we enjoy with other cities in the Guangdong-Hong Kong-Macao Greater Bay Area, the GBA. Last year's Global Innovation Index, published by the World Intellectual Property Organization, ranked the Shenzhen-Hong Kong-Guangzhou science and technology cluster second in the world – for the fourth year in a row.

Our growing I&T ties with Shenzhen and other GBA cities include the Hong Kong-Shenzhen Innovation and Technology Park. The Park's first laboratories will begin operation by the end of this year, and we are busily attracting companies, talent and investment to this vast piece of budding land strategically situated right between Hong Kong and Shenzhen.

Then there's the business, and many pleasures, of arts and culture. Hong Kong is set to rise as the world's East-meets-West centre for international cultural exchange.

Last month was Art March here in Hong Kong. Events included the annual Art Basel Hong Kong, with more than 240 art galleries from all over the world taking part – up 37 per cent over last year.

And then there's the West Kowloon Cultural District, one of the world's largest arts and culture developments. If you have yet to spend time there, tonight is your time, with a gala dinner at M+ Museum, Asia's first global museum of contemporary visual culture. Make time, too, to visit the Hong Kong Palace Museum, which houses national treasures from Beijing's Forbidden City, and take a stroll through the District's dazzling Art Park, right next to scenic Victoria Harbour.

I'm just getting going. But I think I'll leave the rest for you to discover, over your next few days here with us in Hong Kong.

Ladies and gentlemen, Hong Kong was a fishing village when HSBC opened here in 1865, casting a vote of confidence in this part of the world. It was the first of a great many smart, and rewarding – richly rewarding – decisions, I'm pleased to say and pleased to tell you, Mark. A vote of confidence in the future of HSBC – and Hong Kong.

And while much has changed since then, one crucial fact remains true – as true now as then. And that's the enterprising, endlessly reinventing, city of Hong Kong, and the canny, "can-do" spirit of the people of Hong Kong.

Ladies and gentlemen, Hong Kong has long been in the business of thriving. That's not about to change. I am confident that, as global investors, you can see the far-reaching promise of Hong Kong for yourself. And I invite you to join us in building our thriving future.

I wish you all a rewarding Summit, a memorable stay in Hong Kong, and the best of business and investment. And remember, Hong Kong is not just a place for business and investment. It is also a place for you to work hard and play hard, and do remember, spend hard as well.

Thank you.

