

Speech by CE at “Israel-Hong Kong: Women-to-Women Bridge” forum (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the "Israel-Hong Kong: Women-to-Women Bridge" forum jointly held by the Consulate General of Israel in Hong Kong and the Asia Society Hong Kong Center this morning (May 31):

Consul General (Consul General of the State of Israel in Hong Kong, Mrs Ahuva Spieler), Alice (Executive Director of the Asia Society Hong Kong Center, Ms Alice Mong), distinguished speakers, ladies and gentlemen,

Good morning. I am pleased to be here on this very special occasion – a woman Chief Executive speaking at a Women-to-Women Bridge forum between two exciting economies – Hong Kong and Israel. Let me first welcome to Hong Kong the five Israeli woman leaders who will speak today – about innovation, entrepreneurship and technology, about science and research as well as global finance. Along with nine like-minded professionals from Hong Kong, many of whom I know, each will present the singular perspective, experience and challenges that come with being a high-achieving career woman.

As the Consul General noted, Israeli and Hong Kong societies are blessed with strong, determined, brilliantly accomplished women leaders and innovators – and in every profession, sector and societal role. This morning's speakers as well as those in the audience are surely testament to that.

I know something about work and women, having begun my public service career in the Hong Kong Government since 1980. Come July 1, I'll have served as Chief Executive of the Hong Kong Special Administrative Region (SAR) for two years. Two of my Government's Principal Officials are women, the Secretary for Justice and the Secretary for Food and Health. Last year, we had the first woman chairman in the long history of our stock exchange – the Hong Kong Exchanges and Clearing Limited (HKEX). The exchange, by the way, is the world's sixth largest by market capitalisation.

Last year also for the first time, two female eminent judges, one from Canada, the other from the United Kingdom, were appointed as non-permanent judges to the Hong Kong Court of Final Appeal. As the first female Chief Executive of the Hong Kong SAR, I can tell you I was thrilled to witness these historic moments.

Are we doing enough? Am I doing enough? Certainly not, but I can tell you that we are moving in the right direction. And we are doing so with speed and certainty and across different sectors in society.

General societal trends, of course, have been moving in the right direction for quite some time now. Access to education and training are essential to empowering women to fully participate, and at the highest levels, in business and society. In that regard, we are doing remarkably well. Women now represent 54 per cent of students enrolled in Hong Kong undergraduate programmes funded by our University Grants Committee.

The percentage of female students studying in traditionally male-dominated disciplines is also increasing. Take medicine, for example. Some 20 years ago, about 37 per cent of Hong Kong medical students were female. Today, nearly 52 per cent are. And among our engineering and technology majors, the percentage of female students has risen from 14 per cent two decades ago to some 30 per cent today.

In the professions, women now make up nearly half of Hong Kong's solicitors and public accountants, compared to about one-third in each case 20 years ago. As for managerial positions, women hold about 35 per cent of them today, compared with only 20 per cent over the same period. Those percentages are much the same in the Hong Kong SAR Government. More than one-third of Hong Kong civil servants at the directorate level, that is the most senior level, are women. Just over 15 per cent were 20 years ago.

Women in Hong Kong enjoy equal employment opportunities and are protected under the same labour legislation as men. That said, the female labour participation rate in Hong Kong was just under 51 per cent last year, compared to 68.5 per cent for men. This figure of 51 per cent female labour participation rate is lower than that of Israel, Singapore and the Mainland, which stands at about 60 per cent. So yes, there is considerable room for improvement. And we are, rest assured, working assiduously to expand labour force participation among the women of Hong Kong.

Promoting gender equality, creating an enabling environment for women, is critical to the sustainable development of our economy. I am sure we have a lot of female talent in Hong Kong, and we do need all the talent we have in order to seize the vast opportunities ahead of us.

It is true that the global economy is now facing considerable uncertainty amid the trade conflict and escalated tension between China and the United States, and we just saw OECD adjust the global economic growth forecast downward to 3.2 per cent last week. Being a highly externally oriented economy, Hong Kong will inevitably be hit, especially in the short term. But if we look further ahead, I am very confident about Hong Kong's future.

It is because Hong Kong's success is built on very solid foundation. Possessing unique strengths under "One Country, Two Systems", we've been named the world's freest economy by the Washington-based Heritage Foundation for 25 years in a row. Earlier this month, Hong Kong was also named the world's most open economy in the inaugural Global Index of Economic Openness. The report, produced by the London-based Legatum Institute, analysed nearly 160 countries and economies, measuring how well each enables trade,

competition and productivity.

That Hong Kong came out on top is no surprise to the more than 8 700 overseas and Mainland companies that maintain an office here in Hong Kong, of course including Israeli companies. They're here because they take confidence in Hong Kong's level playing field for business, in our independent judiciary and rule of law that buttresses it.

The rule of law and judicial independence are Hong Kong's core values. They are guaranteed under the Basic Law and are fully practised in Hong Kong. In rule of law, Hong Kong ranked 14th globally according to World Bank's Governance Indicators. In judicial independence, we ranked eighth globally according to the World Economic Forum, that is fourth among common law jurisdictions and number one in Asia. Earlier, I mentioned the two female judges added last year to our Court of Final Appeal. Well, there are actually a total of 14 eminent judges from other common-law jurisdictions including Australia, Canada and the United Kingdom serving on our Court of Final Appeal as non-permanent judges. Their presence itself is a testimony to Hong Kong's judicial independence.

International business also places a premium on Hong Kong's financial and investment services. In the latest Global Financial Centres Index, Hong Kong was ranked the world's third-most competitive economy, just behind New York and London. Global business also counts on our world-class communications and logistics infrastructure, as well as our deep and diversified pool of talent.

Hong Kong's "One Country, Two Systems" framework makes a decided difference. It gives Hong Kong advantages that no other economy can claim unless, of course, they partner with Hong Kong or set up a business here. Those advantages include access to two national strategies of global significance – the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area.

Our financial services strengths make Hong Kong a vital link for the Belt and Road Initiative. But there is more to our participation than capital raising. Down the road, we will also play a key role in resolving disputes among Belt and Road partners. Given that some 180 co-operation agreements and MoUs have already been signed under the Belt and Road, there will, from time to time, be disagreements among project partners and participants. These disputes will sometimes require legal intervention. Hong Kong's rigorous legal system and internationally respected arbitration and mediation laws and practice will help address the Belt and Road's dispute avoidance and resolution needs.

Then there's the Guangdong-Hong Kong-Macao Greater Bay Area, a fast-emerging city cluster integrating Hong Kong, Macao and nine prosperous cities in southern China. The numbers are as outsized as its long-term promise. Together, this emerging city cluster embraces more than 56 000 square kilometres, takes in a population of 71 million people, and presents a collective GDP of US\$1.6 trillion.

The Greater Bay Area's Outline Development Plan, released in February this year, emphasises co-operation rather than competition among the 11 cities, giving full play to the strengths and expertise of each. The Plan calls for Hong Kong to drive, among other things, international finance, trade and transport for the Greater Bay Area. But to me, the most exciting part in the Outline Development Plan is the significant role Hong Kong is going to play in the Greater Bay Area's ambition and rise as an international innovation and technology (I&T) hub. With Hong Kong's strong R&D capability and financial prowess, as well as the world-beating manufacturing and services production in the Mainland cities of the Greater Bay Area, the potential is obviously there for all to see.

This is where we can look to Israel for some good lessons and inspiration, and explore opportunities for collaboration.

Which is why our Financial Secretary, Mr Paul Chan, led the first high-level mission from Hong Kong to Israel last September. Accompanying him were corporate investors and venture capitalists, companies focused on financial technology, biotechnology, smart-city development and more. Also there were senior players from Hong Kong Science Park and Cyberport, the two flagship institutions driving innovation and technology development in Hong Kong.

Science Park, let me add, has organised three "Israeli Business Matching" sessions over the past several years. They've brought 32 Israeli and 115 Hong Kong companies together to explore business co-operation. And we are beginning to see that co-operation materialising. Last year, The Floor, a fintech innovation firm from Israel, set up here in Hong Kong. An Israeli start-up, Dr Gene, is working on genetic research in Cyberport. And a Cyberport incubatee, AT Services Ltd, also from Israel, is using blockchain technology to build financial decision-making systems.

We look to Israel, because we are committed to Hong Kong's rise as an innovation and technology leader, and because Israel is an international leader in I&T development, a high-tech role model for Hong Kong and for the world. We share your spirit of innovation and entrepreneurship, and I am confident we can be an ideal partner for Israeli companies looking to expand their presence in the Mainland – especially the Greater Bay Area – and throughout Asia.

Allow me, for just a minute or two, to give you a bit of a background on where we are right now when it comes to innovation and technology. Our commitment is perhaps best illustrated by the resources we're putting into I&T development. Since I became Chief Executive 23 months ago, the Hong Kong SAR Government has invested some US\$13 billion in I&T programmes and initiatives. They include two world-class research clusters, one focused on healthcare technologies, the other on artificial intelligence and robotics. In each case, we are committed to attracting prominent institutions from around the world to establish research centres and laboratories in these two clusters.

The response to date has been more than encouraging. We've received over 40 applications, involving such top institutions as MIT, Harvard, Johns Hopkins, Stanford, Oxford, Cambridge, Imperial College London and Institut Pasteur, just to name a few. We expect the first batch of research institutions to set up labs in the two new clusters at the Science Park before the end of this year. We welcome Israeli technology companies, especially those with healthcare, AI and robotics expertise, to join them in building the future.

To incentivise private enterprises to invest in R&D alongside Government commitment, we are providing from this year onwards tax deductions for qualifying R&D expenditure incurred in Hong Kong. Specifically, the first HK\$2 million – that's about US\$255,000 – in R&D expenditure will enjoy a 300 per cent tax deduction – plus a 200 per cent deduction on the remainder. And there's no ceiling on the amount of deduction possible.

Hong Kong start-ups, by the way, are thriving. At last count, there were more than 2 600 start-ups here. That's up 18 per cent, year on year. And the venture capital investment in our start-ups has also soared – from about US\$163 million in 2014 to US\$2.3 billion last year. It is worth noting that the start-up community is also highly international, with 35 per cent of founders coming from outside Hong Kong. And for technology companies including biotech firms seeking to raise funds through IPOs, the Hong Kong exchange has introduced new listing rules to meet their special needs last April. The results are encouraging but more are welcome. Actually, the HKEX hosted a second Biotech Summit two days ago to promote what Hong Kong can offer. We naturally welcome technology business in Israel to seek listing in Hong Kong.

In short, ladies and gentlemen, whether you're a global technology leader or a brand-new start-up, Hong Kong has pretty much everything you want and will ever need to grow. We welcome our Israeli friends, men and women, to join us. Together, Hong Kong and Israel will excel.

I know you will enjoy this extraordinary forum and the lunch. And for that, for your innovation and inspiration, my thanks to Consul General Ahuva Spieler and the Asia Society Hong Kong Center. And for our friends coming all the way from Israel, I wish you a very pleasant stay in Hong Kong. Thank you very much.

