

Speech by CE at opening of Ministerial Segment of 74th Session of United Nations Economic and Social Commission for Asia and the Pacific in Bangkok (English only)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the opening of the Ministerial Segment of the 74th Session of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) today (May 14) in Bangkok, Thailand:

Your Excellency Madam Chair, Excellencies, Executive Secretary, distinguished delegates, ladies and gentlemen,

Good morning. It is a great pleasure to join you all at the 74th session of the United Nations Economic and Social Commission for Asia and the Pacific, and to have the opportunity to address the distinguished audience here in my capacity as Chief Executive of the Hong Kong Special Administrative Region (SAR).

I assumed the office of the Chief Executive – by the way, the first woman to hold this position in Hong Kong – less than a year ago on the 1st of July, 2017. That was an historic day for Hong Kong, for it marked the 20th anniversary of the establishment of the Hong Kong SAR. Since our return to the motherland, the People's Republic of China, in 1997, the Hong Kong SAR has been exercising a high degree of autonomy and "Hong Kong people administering Hong Kong" in strict accordance with the Basic Law, our constitutional document. This demonstrates the full and successful implementation of the "One Country, Two Systems" principle, which has been widely recognised by the international community.

The unprecedented "One Country, Two Systems" principle allows us to strengthen and leverage on ties to the Mainland economy, while maintaining our unique strengths in the rule of law, independence of the Judiciary, our capitalist system, rights and freedoms, etc. It also allows us to conduct external affairs in the name of Hong Kong, China and build global ties, including our participation in ESCAP as an associate member, as well as in such organisations as the World Trade Organization (WTO) and Asia-Pacific Economic Cooperation (APEC) as a separate member. I would say that the "One Country, Two Systems" principle has been the foundation of Hong Kong's many achievements, including our reputation as the world's freest and most competitive economy, and will be essential to Hong Kong's continued prosperity and stability in many years to come.

We will continue to leverage on our advantages under "One Country, Two Systems" in sustaining our economic growth, which stood at 3.8 per cent last

year, higher than the average growth rate of 2.9 per cent over the preceding decade. Barring external shocks, the outlook is promising. Indeed, we published last Friday the first quarter GDP growth, which was a gratifying rate of 4.7 per cent. I see a lot of opportunities ahead of us brought by the Belt and Road Initiative outlined by President Xi Jinping almost five years ago and highlighted by the Executive Secretary just now. As President Xi said, the Belt and Road Initiative is conceived by China, but it is meant for the world. Built on multilateral co-operation in infrastructure, in trade and investment, in culture and in people-to-people bond, the Belt and Road Initiative will rise as a global economic force deep into the 21st century, bringing benefits to countries along the Belt and Road as well as other countries that embrace the Initiative.

One of the key features of the Belt and Road Initiative is that it is inclusive. This is highly relevant to the theme of today's session – inequality in the era of the 2030 Agenda for Sustainable Development. As rightly pointed out by a report published by ESCAP last week, while the Asia-Pacific region has experienced a tremendous socioeconomic transformation since the early 1990s facilitated by strong and sustained economic growth, unfortunately the gains from this remarkable performance have not always benefited those most in need. As a result, many countries in the region have experienced a widening of existing inequalities, accompanied by environmental degradation. Amid a strong economic outlook, every economy has the responsibility, and it is also in their own interest, to do more in terms of promoting social inclusion and environmental protection, so as to achieve sustainable development.

Since taking office, I have had the privilege of participating in international fora like the APEC Economic Leaders' Meeting, the World Economic Forum at Davos and the Boao Forum for Asia. I was gratified to hear the majority of global leaders speaking in support of free trade while at the same time being committed to making development more inclusive and beneficial to all. There seems to be broad consensus that governments must take active steps to deliver a prosperous, secure and sustainable future for all.

This is exactly what my Government is doing in Hong Kong. In this respect, it is relevant to note that some 60 per cent of our recurrent budget is spent on education, social welfare and medical services. Spending on social welfare has surged by over 86 per cent in the past six years, with a range of initiatives on social security pioneered by the Commission on Poverty, which I chaired in my former capacity as the Chief Secretary for Administration. And one of the top priorities since my taking office is to increase education spending for initiatives ranging from pre-school support to enhancing access to university education. In my inaugural Policy Address delivered last October, I said, "Government expenditure on education is the most meaningful investment for our future development." I went on to say that in formulating social policies, the Government's guiding principles are pro-child, pro-family, pro-work and pro-user. These two main approaches of government intervention will enable us to narrow the differences not only in income, but also in opportunities.

One area which my Government is working very hard on is housing. Given

the lack of developable land in Hong Kong, property prices and rentals have in recent years risen to an unaffordable level for many households in Hong Kong, leading to many grass-roots families living in highly undesirable conditions. We see addressing the housing need of the poor as one of the most effective means to alleviate poverty and reduce inequality in Hong Kong. In order to find more land for housing, the community has to rise above sectoral interests and reach a broad consensus for the Government to move on. A Government-appointed task force has just launched a public engagement process aiming at building that common basis.

On a wider perspective, Hong Kong will continue to support free trade. As a founder member of the WTO, Hong Kong is a strong believer in and staunch supporter of free trade and the multilateral trading system. We have benefited immensely from free trade, which has been instrumental in developing Hong Kong into an international trade and business centre as it is today, and we hold the belief that a strong and rule-based multilateral trading system is a cornerstone of the global economy.

In order to seize the opportunity of a global economy while at the same time making economic development more inclusive, we need to improve systems and institutions to uphold safety, equity, efficiency and justice. This is what I call "capacity building". When Dr Akhtar (Under-Secretary-General of the United Nations and Executive Secretary of ESCAP, Dr Shamshad Akhtar) and I met in Hong Kong last month – and I count myself to be very fortunate to have had this opportunity to meet with her before her departure from ESCAP – I said Hong Kong was more than willing to help and share experience in capacity building with some emerging economies, as part of Hong Kong's contribution to the promotion of people-to-people bond in the global environment. I would like to briefly talk about what I have in mind.

Hong Kong is one of the safest and most efficient cities in the world, and over the years of our development we have accumulated a lot of experience in city management, covering areas such as firefighting, flood prevention, slope stabilisation, aviation safety, railway operation, etc. We have also built institutions to fight against corruption, promote equal opportunities and deal with administrative complaints. We will be most pleased to share our experience with other economies in the Asia-Pacific region and beyond. In fact we are already doing that. For example, our Independent Commission Against Corruption has been sharing its rich experience in fighting corruption in Hong Kong with regions and countries along the Belt and Road to enhance their integrity. A group of 22 firefighters from Vietnam attended a five-day high-rise building firefighting course in the Fire and Ambulance Services Academy in Hong Kong last year.

Hong Kong's railway operator, the MTR Corporation, is another good example. The Corporation currently operates in Hong Kong a railway network on which about 5.6 million passenger trips are made on a normal weekday. Another 5.6 million passenger trips are made on the rail services it operates outside Hong Kong in the Mainland of China, the United Kingdom, Sweden and Australia. Leveraging on its railway experience, the Corporation is now involved in a range of railway construction projects, railway consultancy and contracting services around the world, as well as operating an MTR Academy.

Foreseeing the increasing need for highly capable railway-related professionals, the MTR Academy has been established as a global training and research hub. Through its tailor-made training curriculum, the MTR Academy will develop railway executives and professionals in Hong Kong, the Mainland of China and around the world to drive excellence for existing railway operations, railway expansion and major infrastructure projects in the decades to come. Likewise, our Airport Authority has also set up a civil aviation academy to nurture aviation management talent.

In addition, Hong Kong's professionals – including our engineers and surveyors, architects, designers and planners, together with specialists in financial services, insurance, arbitration, risk management, project consulting and communications – are highly regarded not only for their expertise and competence, but also for their professional ethics and service quality. We expect that the Belt and Road Initiative I mentioned will generate a lot of demand for professional services in order to turn plans into reality. We do encourage enterprises from other economies to partner with Hong Kong professionals under the context of the Belt and Road Initiative. We are confident in providing the best services to them, and in the process contributing to capacity building.

Apart from capacity building, I would also like to stress that, as a responsible global citizen, Hong Kong will play its part in protecting the environment. As ESCAP's report points out, environmental degradation is closely linked to inequality and low-income countries of the region are more exposed to environmental degradation. Natural disasters, the frequency and intensity of which are increasing due to climate change, also cause disproportionately greater impacts on poorer countries and households and therefore exacerbate inequalities.

Hong Kong has accorded top priority to meeting the commitments formalised under the Paris Agreement. Indeed, we have established a high-level Steering Committee on Climate Change since 2016 which co-ordinates the actions of our various bureaux and departments in combating climate change. The Committee has set an ambitious target – a 65 to 70 per cent reduction of our carbon intensity by 2030, using 2005 as the base. This is equivalent to an absolute reduction of 26 to 36 per cent of Hong Kong's carbon emissions, and will result in a per capita emission reduction from about 6 tonnes to 3.3 to 3.8 tonnes. To achieve this ambitious target, we are adopting a multi-pronged approach. We will, for example, gradually replace most of our coal-fired generation units with cleaner energy sources. We will also encourage the development of renewable energy and implement an energy-saving plan to promote energy efficiency and green building advances throughout Hong Kong.

Furthermore, we will strengthen the climate readiness of the city as a whole. That includes cooling the city through such measures as landscaping and wind-environment design. The promotion of a "use less, waste less" culture is also crucial to achieving low-carbon living. To that end, we will enhance public education on sustainable consumption and waste reduction, and implement a municipal solid-waste charging scheme to encourage behavioural changes. All this, and much more, is set out in "Hong Kong's Climate Action

Plan 2030+" published last year.

We live today in a global village, and are inextricably linked by threats from climate change, dwindling resources, environmental degradation and much more. These growing concerns are beyond the resources or the ability of any one country or economy to confront and conquer alone. Our solutions should embrace greater co-operation across political, economic and social boundaries. All of us have a shared responsibility towards the well-being of our planet and everyone in it. Indeed, one of the 17 Sustainable Development Goals under the United Nations 2030 Agenda for Sustainable Development calls for actions to strengthen the means of implementation and revitalise the global partnership for sustainable development.

Speaking of the Sustainable Development Goals, it took more than three years of intergovernmental negotiations before world leaders adopted the 17 Sustainable Development Goals, and they represent a cohesive and integrated package of global aspirations the world commits to achieving by 2030. With a pledge that no one would be left behind, another one of the 17 goals is to reduce inequality within and among countries. This shows the timeliness of today's theme, and brings me back to what I emphasised earlier – the importance of inclusiveness in social and economic growth.

Before I close, let me thank ESCAP again for giving me this opportunity to speak and I wish you a most successful and rewarding session.

Thank you very much.