

Speech by CE at Our Hong Kong Foundation International Forum on Progress through Collaboration (English only) (with video)

Following is the video speech by the Chief Executive, Mr John Lee, at Our Hong Kong Foundation International Forum on Progress through Collaboration today (April 17):

Distinguished guests, ladies and gentlemen,

I'm pleased to have this welcome opportunity to speak to you at this international forum organised by Our Hong Kong Foundation.

I would first like to start by congratulating Our Hong Kong Foundation for organising this very special event. The forum today is graced by a panel of high-powered speakers and guests. Together, you will explore the means of capitalising on Hong Kong's unique advantages to foster collaboration, under the inspirational theme of "Connecting the World: Hong Kong's New Opportunities and New Future".

Last month, the first session of the 14th National People's Congress concluded victoriously in Beijing. President Xi Jinping said, and I quote, "The long-term prosperity and stability of Hong Kong and Macao special administrative regions is indispensable to the building of a great China." The President added that we should fully, faithfully and resolutely implement the policy of "one country, two systems".

President Xi's words speak to all of us. They tell us that the "one country, two systems" principle is Hong Kong's inspired means of making an indispensable contribution to the country as well as the international community.

Ladies and gentlemen, the Hong Kong Special Administrative Region (SAR) Government is doing just that. Over the next few minutes, allow me to explain some of the policy areas and sectors we're working on to bring a new and brighter tomorrow for all.

The first place to begin with is financial services. The National 14th Five-Year Plan looks to Hong Kong to enhance its status as an international financial centre. That includes building on our strengths as the world's largest offshore Renminbi centre, international asset management centre and risk management centre. It includes, too, deepening mutual access between the financial markets of the Mainland of China and Hong Kong.

Less than a month ago, Hong Kong and Guangdong convened the 23rd plenary

of a high-level co-operation joint conference, co-chaired by the Governor of Guangdong Province and myself. At the conference, we agreed to expand co-operation in several areas, including promoting mutual access between our financial markets. That mutual access is thriving, I'm pleased to say.

The average daily buy-and-sell values of Stock Connect's Northbound and Southbound Trading have surged to over RMB97 billion and nearly HK\$44 billion. That represents increases of 16 times and 46 times from when the scheme was launched in 2014, respectively.

Last month, the exchanges in Shanghai, Shenzhen and Hong Kong expanded the scopes of stocks under Stock Connect, adding foreign company stocks under Southbound Trading.

Our Renminbi business continues to expand. At the end of 2022, Hong Kong's Renminbi deposits reached nearly one trillion. Hong Kong processes about 75 per cent of global offshore Renminbi payments.

Last year, the governments of Shenzhen and Hainan issued offshore Renminbi local government bonds in Hong Kong. With each issuance amounting to RMB5 billion, these welcome moves would boost the Renminbi financial products available here, while promoting the internationalisation of the Renminbi.

That's an encouraging start. And, rest assured, we are working with the Mainland to expand participating institutions and products.

We are also working to promote green investment with our motherland.

Last year, the HKEX (Hong Kong Exchanges and Clearing Limited) signed an MOU (Memorandum of Understanding) with Guangzhou's China Emissions Exchange. It focuses on carbon finance co-operation, including the possible development of a carbon centre in the Guangdong-Hong Kong- Macao Greater Bay Area, a cluster city development with a population of over 86 million.

Last October, the HKEX launched Core Climate, an international carbon marketplace. To date, it's the only carbon marketplace offering both Hong Kong dollars and Renminbi settlement for the trading of international voluntary carbon credits.

We are also collaborating with the Mainland in financial technology, conducting cross-boundary trials to speed up the launch of products and cut development costs.

Pilot tests are taking place on the use of e-CNY in cross-boundary payments. And that only underlines our deepening collaboration with the Mainland in technology.

The National 14th Five-Year Plan expressively supports the development of Hong Kong as an international I&T (innovation and technology) centre.

We're well on our way there, ladies and gentlemen. The Shenzhen-Hong

Kong-Guangzhou Science and Technology Cluster has been ranked second in the world for three consecutive years by the Global Innovation Index.

The Shenzhen-Hong Kong Innovation and Technology Co-operation Zone, which brings together the Hong Kong-Shenzhen I&T Park and the Shenzhen I&T Zone, showcases the close collaboration between the governments of Hong Kong and Shenzhen.

We're now working toward a cross-boundary policy on I&T co-operation. It covers the flow of I&T material, capital, data and people between Hong Kong and Shenzhen.

Hong Kong and Shenzhen have also formally agreed to boost collaboration among our industry, academic and research sectors.

Earlier this year, Hong Kong and the Mainland signed three co-operation agreements, including one with Guangdong created to expedite the development of a smart city cluster.

Last month in Beijing, I witnessed the signing of an arrangement between the Hong Kong SAR Government and the Ministry of Science and Technology of China on expediting our development into an international I&T centre.

Beyond our growing economic and I&T ties with the Mainland, we continue to seek opportunity with the world at large, thanks to the unique principle of "one country, two systems" that ensures our unparalleled connectivity with the world.

There is no better illustration of that than our free trade agreements (FTA). To date, we have signed eight FTAs with 20 economies. They include our FTA with ASEAN (Association of Southeast Asian Nations), which entered into force just over two years ago.

Last year, I'm pleased to note, our trade in goods with ASEAN reached an all-time high of more than US\$165 billion. Our co-operation is evident, as well, in the abundance of ASEAN regional headquarters and offices here in Hong Kong.

ASEAN's 10 member states are all founding members of RCEP – the Regional Comprehensive Economic Partnership. RCEP is now the world's largest free trade agreement, and Hong Kong is determined to be part of it.

For good reason. RCEP members last year accounted for 71 per cent of Hong Kong's total merchandise trade and 46 per cent of our trade in services in 2021.

No less important, Hong Kong can play a critical role in building regional economic integration through RCEP. We are, after all, the gateway connecting our motherland to the rest of the world.

We are seeking early accession to RCEP, and count on the continuing

support of RCEP members and the distinguished guests of today's Forum.

Beyond RCEP, updated commitments on trade in services under our FTA with Chile came into effect less than two weeks ago. And Hong Kong and Peru began negotiations toward an FTA at the end of January.

Our international outlook is equally visible in our rise as a centre for international legal and dispute resolution services in the Asia-Pacific. In that, too, we have the support of our country through the 14th Five-Year Plan.

The Hong Kong Legal Hub, which opened in 2020, is now home to 26 local, regional and international law-related organisations.

The latest additions to the Legal Hub include the Asian-African Legal Consultative Organization Hong Kong Regional Arbitration Centre, which opened last May, and the International Organization for Mediation Preparatory Office, set up in February.

Hong Kong is the only common law jurisdiction in China. Bestowed with a robust legal system and the rule of law, we are ranked among the world's top three most preferred seats for arbitration.

It helps, too, that our Arbitration Ordinance is modelled on the United Nations Commission on International Trade Law Model Law, and that arbitral awards in Hong Kong are enforceable in more than 170 jurisdictions around the world.

Just last month, Deputy Secretary for Justice Horace Cheung visited Europe. He also led a 30-person legal delegation to Bangkok to promote Hong Kong's diversified legal and dispute resolution services.

The visits – for law, finance, business and investment, culture and the creative industries and much more – will continue.

My team and I believe in the power of communication and the value of co-operation.

That's why I paid my first overseas visit this year to the Kingdom of Saudi Arabia and the United Arab Emirates in February. Together with a high-level delegation of Hong Kong business and professional leaders, we promoted our trade and cultural ties with the Middle East region.

Communication and co-operation is equally important for deepening our integration into national development. That is why later this week, I will be leading a delegation, comprising all members of Hong Kong's legislature, to visit a number of cities in the Greater Bay Area.

President Xi visited Guangdong earlier this month, highlighting the country's commitment in comprehensively deepening reform and expanding high-standard opening up, in this pacesetter province of the country's

modernisation.

This year marks the 45th anniversary of our country's policy of reform and opening up. Hong Kong played a part in the opening up of our motherland 45 years ago. And, we are pleased, and proud, to play a role in its continuing progress – through "one country, two systems", and with the unwavering determination and innovative spirit that has long powered Hong Kong's remarkable success.

My thanks again to Our Hong Kong Foundation for organising today's Forum. I wish you all a memorable day, alongside new opportunities and the best of business collaboration.

Thank you very much.