

# Speech by CE at seminar on “China’s 40 Years of Reform and Opening Up: Implications for the World and Role of Hong Kong” (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the seminar on "China's 40 Years of Reform and Opening Up: Implications for the World and Role of Hong Kong" this morning (October 29):

Mr Dominique de Villepin (former Prime Minister of France), Mr Yukio Hatoyama (former Prime Minister of Japan), Mr Li Zhaoxing (Honorary President of Chinese People's Institute of Foreign Affairs, former Minister of Foreign Affairs), Ambassador Charlene Barshefsky (former United States Trade Representative), Commissioner Xie Feng (Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region (HKSAR)), Deputy Director Tan Tieniu (Deputy Director of the Liaison Office of the Central People's Government in the HKSAR), Mr Ronnie Chan (Chairman of the Executive Committee of the Better Hong Kong Foundation), distinguished guests, ladies and gentlemen,

Good morning. I am much delighted and honoured to be able to join you at this seminar co-organised by the Office of the Commissioner of the Ministry of Foreign Affairs in the Hong Kong Special Administrative Region (OCMFA) and the Better Hong Kong Foundation. I congratulate the organisers for bringing together such a distinguished panel of speakers who together have an invaluable wealth of global experience which will no doubt shed light on how we should understand and respond to today's rapidly changing world environment. It is a great pity that because I have to leave immediately for the airport to embark on my first official trip to Japan as Chief Executive, I would not have the opportunity to listen first-hand to our speakers' words of wisdom.

This year marks the 40th anniversary of China's reform and opening up, which has profoundly changed the country and the lives of its people and helped change the world. It has been well acknowledged that over this 40 years' journey, Hong Kong has played a significant and unique role; we are a contributor as well as a beneficiary in China's reform and opening up. As a contributor, we shared our experience with the Mainland and contributed to the rapid modernisation of the country in different aspects. A large number of Hong Kong businessmen and entrepreneurs were the first to invest in the Mainland, setting up production lines in the Pearl River Delta region and bringing with them capital, talent and management systems. We are proud of our contribution, and are even more proud to witness the achievements of our country in the past 40 years. China is now the world's second largest

economy, largest industrial manufacturer, largest goods trader and largest foreign exchange reserve holder. In the past 40 years, our country's total import and export value surged by 178 times and its gross domestic product per capita rose from merely about US\$200 in 1978 to over US\$8,000 today, improving our people's livelihood significantly. Our country has become an economic powerhouse, and has also become a key stabiliser and driving engine for global economic growth.

Having served as our country's window to the world in the past 40 years, Hong Kong is a beneficiary of the country's reform and opening up. The city has successfully transformed herself into an important bridge linking the Mainland and the global market. We have established and reinforced our present position as an international commercial, logistics, shipping, financial and professional service centre.

There is so much to recount and so many people to recognise that the HKSAR Government has decided to host a major exhibition later in the year to commemorate the 40th anniversary. As an ancient Chinese saying goes, "we should focus our mind on the future, not the past". I would therefore like to use the next few minutes to discuss how I see the role of Hong Kong as our country enters into a new era.

In addressing the APEC CEO Summit held in Da Nang last November, President Xi Jinping spoke on how we should seize the opportunity of a global economy in transition and accelerate development of the Asia-Pacific. He said that faced with the profound changes in the global economy, we must advance with the trend of times and live up to our responsibility and work together to deliver a bright future of development and prosperity for the Asia-Pacific. Specifically, he outlined the strategies that nations should continue to foster an open economy, pursue innovation-driven development and create new drivers of growth, enhance connectivity and achieve interconnected development and make economic development more inclusive and deliver its benefits to our people.

I can see relevance of Hong Kong, and an important role to play, in each of these four strategies, especially leveraging on our unique advantages under "one country, two systems". We will continue to use our strength to serve the country's needs, with a goal to attain growth jointly with the country and sharing prosperity with all people.

First, as a founding member of the World Trade Organization, Hong Kong is a staunch supporter of free trade and the rule-based multilateral system. We will continue to provide the testing ground for the further opening up of the Mainland economy whether in terms of trade and investment or financial services. Our latest annual survey showed that over 8 700 Mainland and overseas companies had established regional headquarters, regional offices or local offices here. Hong Kong is a favourite platform for overseas companies to access the Mainland market and for Mainland companies to go global. Our highly competent and reliable professional services are credible partners of both Mainland and overseas companies in their various endeavours. My Government will be happy to perform the roles of a

"facilitator" and "promoter" in helping our companies, particularly SMEs, to seize the many opportunities available to us.

Secondly, we are pressing ahead with nurturing new drivers of growth and innovation-driven development. These include a substantive eight-pronged strategy to develop innovation and technology in Hong Kong and the promulgation of a Smart City Blueprint. In my Policy Address announced earlier this month, I have earmarked HK\$28 billion to support university research, encourage re-industrialisation and promote technological entrepreneurship, and this is on top of HK\$50 billion earmarked by the Financial Secretary in his Budget earlier this year. Even for traditional sectors like financial and shipping, we are driving growth through innovation with the adoption of new listing rules to facilitate the raising of capital by new economy as well as bio-tech companies and a series of initiatives to grow the value-added maritime services to complement our port business.

Thirdly, on connectivity and inter-connected development, one key area that Hong Kong seeks to contribute to the country's development will be in the context of the Belt and Road Initiative. Announced by President Xi five years ago, the Belt and Road Initiative is built on multilateral co-operation in infrastructure, in trade and investment, in culture and in people-to-people bonds. 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.

Hong Kong is prepared to offer our expertise in professional services for countries and enterprises seeking to participate in the Initiative. We are home to a large professional services cluster with extensive global networks and affiliations, and our expertise covers infrastructure development, financial services, engineering, consultancy, accounting, law, etc. These services will be in considerable demand for infrastructure and other projects arising from the Belt and Road Initiative.

Capital formation is among the key services that we can offer. With liquid capital flow and a deep pool of global financial talent, Hong Kong is the natural centre from which to raise funds for infrastructure, investment and production projects. We are also ideally suited to provide the risk management, insurance and dispute-resolution services that Belt and Road partners and their projects may need.

As the world is increasingly aware of the importance of sustainable development, we can expect that many of the projects will be green projects. As a matter of fact, the strong demands for green funding and for green investment opportunities have led to the exponential growth in global green finance, including in the issuance of green bonds. Hong Kong is ready to play our part in green financing, thereby making contribution to the sustainable development of the world. Subject to the authorisation of the legislature, my Government will launch a green bond issuance programme with a borrowing ceiling of HK\$100 billion, making it among the largest sovereign green bond issuance programmes in the world. We have also launched the Green Bond Grant Scheme, which subsidises the costs issuers incur in obtaining

certification under our Green Finance Certification Scheme. In short, we hope to make Hong Kong a fund-raising hub for green projects, and encourage more Belt and Road investors and issuers to participate in the Hong Kong bond market.

Closer at home to achieve interconnected development is the Guangdong-Hong Kong-Macao Greater Bay Area. Thanks to the opening of the Guangzhou-Shenzhen-Hong Kong high speed rail and the Hong Kong-Zhuhai-Macao Bridge over the past month or so, there is now a one-hour living zone which will provide excellent opportunities for Hong Kong businesses and service providers to collaborate with their Mainland counterparts to pursue new drivers of growth such as in jointly developing an international innovation and technology hub.

Finally, inclusiveness is highly relevant to today's world. In May this year, I participated in the opening of the Ministerial Segment of the 74th Session of United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok, Thailand. The meeting recognised that, while the Asia-Pacific region has experienced a tremendous socio-economic 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.

To make economic development more inclusive, we need to improve systems and institutions to uphold safety, equity, efficiency and justice. In this regard, Hong Kong is more than willing to share our experience and help build capacity in emerging economies, as part of Hong Kong's contribution to the promotion of people-to-people bonds in the global environment.

Hong Kong has huge experience in urban planning and city management, from new town planning to revitalisation of historic sites and buildings, from flood prevention and slope stabilisation to country park conservation, from daily traffic management to railway operation and aviation safety, from social services to emergency services such as firefighting, 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 emerging economies. In fact, 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. The Fire and Ambulance Services Academy in Hong Kong has offered training to firemen from Vietnam and will open its door to other countries. The Hong Kong Airport Authority and the MTR Corporation have respectively set up an aviation academy and a rail academy to nurture local and regional talents.

Ladies and gentlemen, 40 years ago, the Central People's Government of our country sowed the seeds of reform and opening up. Today, we are leveraging on the Mainland, engaging ourselves globally, reaping the fruits of reform and opening up and celebrating our shared success and joint prosperity. As our country continues to develop, Hong Kong is eager to play

an even bigger role than before and make contribution to the country and the world. We will continue to reach out and connect with people of different countries and strengthen the bond between our economies. By understanding the differences in and similarities of our cultures, we will buttress the foundation of our alliance and create a sustainable global environment together. We hope to work closely with all interested economies on all fronts.

Taking the opportunity of welcoming our international friends today, I thank you for your support for the reform and opening up of China. I look forward to embarking on this journey with you all as our country celebrates another era of success.

I wish you a fruitful and engaging seminar in Hong Kong. Thank you very much.

