

Speech by CE at South China Morning Post China Conference (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the South China Morning Post (SCMP) China Conference today (February 21):

Elsie (Chief Operating Officer of SCMP Group, Ms Elsie Cheung), Tammy (Editor-in-Chief of SCMP, Ms Tammy Tam), distinguished speakers, ladies and gentlemen,

Good morning. It's a pleasure to be here once again for the South China Morning Post's annual China Conference.

I spoke last January at the Conference's third edition, organised under the theme of "Globalisation: the China Perspective and the US Factor." That spotlight has proved to be far-sighted – as we all know, trade friction between the United States and China, the world's two largest economies, has dominated political and economic developments since then. And because of globalisation, the impacts of such bilateral tension are affecting many economies, and Hong Kong is no exception. Our GDP growth last year considerably moderated as the year passed by – from 4.6 per cent in the first quarter to 2.9 per cent in the third quarter, and likely to go below 1.5 per cent as forewarned by the Financial Secretary in his weekly blog a few days ago.

While impacts of the trade war will be addressed in one of the sessions in today's Conference, I suggest we seize this opportunity to discuss the bigger, and longer term prospects. After all, as one saying goes, "development is a journey with no end, but with one new departure point after another." China has proudly gone through a good 40 years of that journey under the reform and opening up policy, bringing significant benefits to her people, including lifting an estimated 700 million people out of poverty. So, let's focus our mind on the next 40 years of China's development, which is a well-chosen theme for today's Conference.

Since taking office as the Chief Executive of the Hong Kong Special Administrative Region (SAR), I have had the privilege of listening first hand to speeches made by President Xi Jinping on international occasions. These included two APEC CEO Summits held in Da Nang, Vietnam in 2017 and Port Moresby, Papua New Guinea in 2018, the 2018 Boao Asian Forum in Hainan and the first China International Import Expo in 2018 in Shanghai. Several key messages delivered by President Xi on those occasions are, in my view, clear and consistent. As I believe they would shed some light on China's future development, I venture to offer the impression I have got.

The first message is that the global economy is facing some profound changes brought about by a new wave of technological and industrial

revolutions. We are experiencing rapid advances in digital economy and shared economy. Governments have to find new development models or new growth drivers to adapt to such changes in order to ensure continued success and prosperity.

The second message is, as a result of globalisation the economic and social well-being of countries and territories is increasingly interconnected. Governments need to pursue an open policy, defy protectionalism and unilateralism, and strive to enhance the level of opening-up at both bilateral and multilateral levels, so that win-win solutions could be found to jointly promote global economic growth.

The third message is economic growth should be more inclusive and deliver benefits to all people. Governments should invest more in education, medical care, employment and other areas that are so important to people's livelihood, and address poverty and the widening gap between the rich and the poor. They should reach out to disadvantaged groups, improve the business environment, especially for small and medium-sized enterprises, and enable the workforce to better adapt to the industrial and digital transformation so that everyone will have his fair share of opportunity and benefits.

Based on my observation, China is taking to heart those messages through deeds. President Xi has, on many occasions, emphasised China's continued commitment to reform and opening up. At the opening ceremony of the first China International Import Expo held in Shanghai in November last year, President Xi told the world emphatically that, "China's door will never be closed. It will only open still wider. China will not stop its effort to pursue higher-quality opening-up! China will not stop its effort to pursue an open world economy! And China will not stop its effort to pursue a community with a shared future for mankind!"

One would hardly be surprised by the President's strong commitment, given the achievements of China's reform and opening up over the past 40 years. Hong Kong, I'm pleased to say, has played in what President Xi described when meeting the delegation I led to celebrate the 40th anniversary of the reform and opening up initiative last November, an irreplaceable role in the Mainland's soaring success story over these past 40 years; we are both a contributor and a beneficiary of the Mainland's opening up. With our unique strengths under "One Country, Two Systems", I have every confidence that Hong Kong will continue to benefit and contribute, especially in the context of the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative. In this respect, I am sure my respected friends, Victor Fung and Jonathan Choi, will have more pertinent advice to give in a later panel discussion on "Carving out Hong Kong's place in China's future".

Before I end, I should highlight that the Greater Bay Area, on which an Outline Development Plan has been promulgated earlier this week, has much to offer Hong Kong. Given its significance, the Hong Kong SAR Government together with the Guangdong Government and the Macao SAR Government will jointly host a symposium later this morning to discuss the key aspects of the Plan. While you may not be able to join us at the symposium, rest assured that you will all have many opportunities to express your views and

suggestions in the future. We need you and indeed all Hong Kong people to contribute to its success.

Ladies and gentlemen, to conclude, Hong Kong is proud of our contribution to the country and of our own progress over the past 40 years. As Hong Kong integrates further into the overall development of our country, I am sure our country will continue to make us proud in the next 40 years.

I wish you a most rewarding conference and a happy, healthy and prosperous New Year. Thank you very much.

