

Speech by CE at UBS Asian Investment Conference 2024 (English only) (with photos/video)

Following is the speech by the Chief Executive, Mr John Lee, at the UBS Asian Investment Conference 2024 today (May 28):

Mr Edmund Koh (President of UBS Asia Pacific), Mr Iqbal Khan (President of UBS Global Wealth Management), and thank you Amy (Chairman of UBS Global Wealth Management Asia and Head and Chief Executive, UBS Hong Kong, Ms Amy Lo) for the introduction, distinguished guests, ladies and gentlemen,

Good morning to you all. Welcome to Hong Kong. It's a pleasure to be here, with you, at the opening of the UBS Asian Investment Conference. I welcome this opportunity to update this powerful audience on Hong Kong, where we are today, and where we plan to be tomorrow and in the time ahead.

First, my congratulations to UBS for hosting the 27th Asian Investment Conference here in Hong Kong. Some 3 000 prominent leaders of global family offices, institutional investors, entrepreneurs and top executives, from nearly 30 countries and regions, are here.

This year's conference theme, "An eye on the past, a view to the future," is the judicious way forward for us all. And, as Winston Churchill once said, "The longer you can look back, the farther you can look forward."

That said, we don't have to look too far back to see how the world has been shaped by innovation and resilience. Asians, in particular, are testament to this, through the region's remarkable growth and the trials we've had to overcome.

The Asian Financial Crisis, the Global Financial Crisis and, more recently, the COVID-19 pandemic, has each tested our resilience and our confidence. And each time, we have emerged stronger, thanks to the durability of our economies and the strength of our people.

Today presents its own daunting challenges, from continuing high interest rates to widespread geopolitical issues. Our response to crises has not wavered over the years and the decades.

That is so for Asia, that is so for Hong Kong. For Hong Kong, an East-meets-West metropolis, is representative of the Asian spirit of resilience, tenacity and perseverance. At the same time, Hong Kong flies the flag of free trade and open markets. Our regulatory framework is robust, and our approach is resolutely pro-business.

Thanks to the unique "one country, two systems" principle, Hong Kong

continues to evolve. As we embrace new technologies and sustainable practices, we strengthen our position as the foreign investment gateway to Mainland China, and as the conduit for Mainland enterprises to invest in the world.

Last week, UBS published its latest Global Family Office Report. I am pleased to note that UBS found the sentiment among family offices in Hong Kong remained strong, thanks to our city's attractive policies for setting up businesses, our status as a leading global financial centre, as well as our proximity to the vast Mainland market.

The report also found that generative AI (artificial intelligence) is the most popular investment theme, with over three quarters of family offices taking it as a likely area of investment in the next two to three years. As a prime asset management hub for a world of investors, Hong Kong is keenly aware of the key role technology plays in the future of investment.

Technology and innovation is a central priority of the Hong Kong SAR (Special Administrative Region) Government. That includes applying AI technology to fast track our smart city and digital government ambitions. We expect that half of the companies in Hong Kong will be using AI in their operations by the end of this year.

The Government is implementing more than 100 digital government and smart-city initiatives. We are also expediting the establishment of an AI Supercomputing Centre in our Cyberport, to meet the demand of institutes and the industry for computing power.

In the financial sector, we are developing fintech hand in hand with the real economy.

We will launch a new integrated fund platform. It will serve as a communications hub, a business centre and an information portal targeting retail funds.

These and other initiatives are designed to boost the competitiveness of Hong Kong's financial services industry, to help financial institutions accelerate digitalisation and product innovation, providing the public with inclusive, more convenient, less expensive financial services.

Our fintech community now counts about 1 000 companies and start-ups, providing services ranging from mobile payment and cross-boundary transfers to financial consultancy, wealth management, blockchain and more.

In March, the average daily transactions in our Faster Payment System, which connects banks and e-wallet operators for real-time retail payment services, rose 30 per cent, year on year, totalling nearly HK\$1.5 billion.

Investment in these, and other areas, is an investment in our future. An opportunity to shape our societies and economies in a manner that is progressive, inclusive and sustainable. It also requires intelligence,

experience and innovation – the wisdom to understand the risks and rewards, and respond accordingly.

And you need to look no further than in Hong Kong to find these qualities, aplenty in our multiskilled and versatile workforce.

Our professionals are well versed with the needs of both Asian and global markets. That's why Hong Kong has long been a financial and investment hub bridging the Mainland with the rest of the world.

Hong Kong continues to be the world's largest offshore Renminbi business hub and clearance centre, offering a world-class range of Renminbi settlements, financing and asset management services.

About 80 per cent of all offshore Renminbi (RMB) transactions are processed in Hong Kong. Over the years, we've also established wide-ranging Connect schemes, enabling cross-boundary financial settlement and long-term economic growth.

Stock Connect gives international investors direct access to Chinese equity markets, while Bond Connect allows foreign investors to access China's interbank bond market.

Wealth Management Connect's cross-boundary fund remittance grew by eight times, to RMB13.1 billion, in March, following enhancement measures implemented the month before. And the number of individual investors increased tenfold.

Such encouraging figures reflect the growing demand for Hong Kong's asset and wealth management services. They also underscore Hong Kong's attraction as the prime centre for investment in the Guangdong-Hong Kong-Macao Greater Bay Area, or GBA.

The GBA brings together Hong Kong, Macao and nine other cities in southern China. Last year, the area's total economic output exceeded RMB14 trillion, meaning it contributed to as much as one-ninth of China's GDP (Gross Domestic Product), despite occupying less than 0.6 per cent of our country's total area.

Last month, the China Securities Regulatory Commission announced a series of measures to expand mutual access between the capital markets of the Mainland and Hong Kong. The measures boost the competitiveness of Hong Kong's financial markets. Not surprisingly, they have been well received.

Thanks to our deepening economic integration with the Mainland, and the opportunities presented by our financial and technology sectors, Hong Kong's asset and wealth management sector has seen remarkable growth.

Our capital under management in private equity totaled US\$220 billion as of March, growing more than 25 per cent in just three years. Last year, it

was ranked second in Asia.

Our family office business is flourishing as well. At the end of last year, we were home to some 2 700 single-family offices. More than half had been set up by ultra-high-net-worth individuals, those valued at US\$50 million or more.

In all this, I'm pleased to note, UBS has played a significant role. The company – your company – has been instrumental in driving the growth and sophistication of Hong Kong's asset and wealth management market. You're doing so by offering your clients innovative and comprehensive financial solutions.

To learn from the expertise and experience of our private sector, we will set up a task force. It will examine the asset and wealth management business in Hong Kong and how best to expand its upmarket potential.

Ladies and gentlemen, your decisions today and tomorrow will help shape Hong Kong, the larger Asian region and the flourishing future there for us all.

That sounds like a very full, and promising, agenda. I look forward to the results.

When you're not preoccupied by your meeting engagements, I invite you to explore Hong Kong. As the mega-events hub of Asia, we make it easy for you, with more than 200 stellar events taking place this year – one every two days in the second half of the year.

They range from business, finance and trade to arts, culture and lifestyle – whatever your lifestyle, we've got it covered here. Hong Kong is blessed with nearly 80 Michelin star restaurants, world-class coastal walks and country parks and all the arts, culture and entertainment you can handle. Hong Kong, after all, is rising as the world's East-meets-West centre for international cultural exchange.

The good news for Hong Kong's thousands of UBS employees is that your new Hong Kong headquarters is on its way up in West Kowloon, home to one of the world's largest arts and cultural showcases: the West Kowloon Cultural District.

Ladies and gentlemen, I wish you all a rewarding conference, a fabulous time in Hong Kong and the best of business, and investment, in 2024.

Thank you very much.

