

Speech by DCS at Hong Kong Management Association 2023 Annual Fellowship Dinner cum Hong Kong Sustainability Award Presentation Ceremony (English only) (with photo)

Following is the speech by the Deputy Chief Secretary for Administration, Mr Cheuk Wing-hing, at the Hong Kong Management Association 2023 Annual Fellowship Dinner cum Hong Kong Sustainability Award Presentation Ceremony today (November 14):

YK (Chairman of the Hong Kong Management Association, Dr Pang Yiu-kai), SK (Deputy Chairman of the Hong Kong Management Association, Mr S K Cheong), Winfred (Deputy Chairman of the Hong Kong Management Association, Professor Winfred Engelbrecht-Bresges), Titania (Executive Director of the Hong Kong Management Association, Ms Titania Woo), distinguished guests, ladies and gentlemen,

It is great pleasure for me to attend the Hong Kong Management Association 2023 Annual Fellowship Dinner cum Hong Kong Sustainability Award Presentation Ceremony, and join such a large community of Hong Kong's senior executives, to exchange views on how to make Hong Kong more competitive, as well as to share the joy of the awardees.

The theme of the event, "Raising Hong Kong's Competitiveness for a New Era of Growth", couldn't have come at a more timely manner. While Hong Kong remains among the most competitive economies in the world, the landscape of the global market has changed a lot and the competition has never been keener, pushing us to continue to drive ourselves forward so that Hong Kong could stay ahead of other economies.

This year, Hong Kong came out of the pandemic with strength and vigour. Thanks to a strong rebound of tourism and private consumption, our GDP has this far recorded three consecutive quarters of positive growth. Our latest unemployment rate at 2.8 per cent means we are close to full employment. Yet, the pace of growth is still more moderate than expected. The difficult external environment, tight financial conditions including aggressive interest rate increase by major economies over the past year, have inevitably impacted on Hong Kong's trade, investment and consumption sentiment. To rise to these challenges, we must strengthen the resilience of our economy and foster sustainable growth in the long term.

We could not stress enough the importance of capitalising on Hong Kong's unique advantage of enjoying the strong support of the motherland whilst being closely connected to the world under the "one country, two systems" principle. Three weeks ago, the Chief Executive delivered his second Policy

Address and underscored the importance of actively aligning with the national development strategies, and promoting the development of the "eight centres" outlined in the 14th Five-Year Plan. We will not only reinforce the strengths of such traditional sectors as finance, trading, logistics, shipping and professional services, but will also explore new growth potential with an industry-oriented approach, developing such emerging strategic areas as innovation and technology, creative industries, pharmaceutical research and development, Chinese medicine and new energy transport. We have outlined in great detail in the Policy Address the measures to achieve the above targets.

In addition, our unrivalled access to the Mainland market indeed represents the best opportunities for businesses in Hong Kong. We have taken a multipronged approach to help enterprises fully leverage Hong Kong's competitiveness on this front. Firstly, we encourage enterprises to make good use of the Mainland and Hong Kong Closer Economic Partnership Arrangement, more commonly known as CEPA. Under CEPA, Hong Kong products meeting the CEPA rules of origin enjoy zero tariff preference on entering the Mainland market. Since CEPA was signed in 2003 and we are celebrating its 20th anniversary this year, the cumulative tariff savings for Hong Kong exports amounted to over RMB9.65 billion as at end-August. With the Mainland having opened up 96 per cent of its service sectors to Hong Kong's service industries, over 3 400 Hong Kong service suppliers had been certified under CEPA to develop business in the Mainland. CEPA has also enhanced Hong Kong's attractiveness for foreign investors to make use of Hong Kong as a base to expand into the Mainland. The number of external investors with regional headquarters, offices or local operations in Hong Kong has risen by two-thirds to almost 9 000. Building on this success, the Government is actively seeking to enrich the contents of CEPA by striving for further liberalisation, aiming especially at those sectors that Hong Kong enjoys competitive advantages, such as financial services, with a view to facilitating Hong Kong enterprises to tap into the Mainland market.

Last week, the Chief Executive led a Government delegation to participate in the China International Import Expo held in Shanghai, and supported a record high of more than 300 Hong Kong enterprises to showcase to Mainland customers quality Hong Kong products and services, covering food, innovation and technology, professional services, to name just a few. The Government will continue to help businesses navigate the dynamic landscape of the Mainland market, and explore the full potential therein.

Many companies are eager to make inroads into the rapidly booming e-commerce sector. The Chief Executive also announced in the Policy Address that the Government will assist Hong Kong's small-and-medium enterprises in developing e-commerce businesses in the Mainland, through organising Hong Kong Shopping Festivals on e-commerce platforms to promote awareness of Hong Kong brands, providing more flexible funding support under a new E-commerce Easy initiative of the Branding, Upgrading and Domestic Sales Fund (or BUD Fund) for the implementation of e-commerce projects, and providing more training and information on how to conduct e-commerce business in the Mainland. An interdepartmental E-commerce Development Task Force will also be set up to look further into the strategies and policies.

It is important to point out that Hong Kong's economic exchanges with the Mainland does not flow only in one direction. As a global city with international standing, Hong Kong is the prime platform for Mainland enterprises and capital to go global, and serves as a bridge connecting the Mainland and the rest of the world, playing the role not only as a "super-connector" but also a "super value-adder". How could we do that? Because we have maintained strong trading ties through Hong Kong's extensive global economic and trade networks, while reaching out to Belt and Road markets in ASEAN (Association of Southeast Asian Nations), the Middle East, Central Asia and Africa. Looking ahead, we will continue to strengthen the ties with our trading partners by concluding more bilateral free trade agreements and investment agreements, including continuing to strive for Hong Kong's early accession to Regional Comprehensive Economic Partnership, or RCEP in short, as well as stepping up our efforts to explore business opportunities with Mainland enterprises. These include organising more outbound missions with Hong Kong and Mainland enterprises, to promote business opportunities for our professional services together with Mainland partners. Visits to the Greater Bay Area will also be organised for overseas enterprises in Hong Kong. More offices for business and trade will be set up along the Belt and Road to strengthen our trade promotional efforts in these emerging markets.

In our efforts to expand our mission abroad, we will be relentlessly reaching out to strategic enterprises to get them to set up or expand their businesses in Hong Kong. The Office for Attracting Strategic Enterprises established last year already attracted 30 strategic enterprises, which will invest a total of more than \$30 billion in Hong Kong, and create about 10 000 jobs, the majority of which are scientific research and management positions. Invest Hong Kong, the Government's foreign direct investment department, also assisted over 300 Mainland and overseas enterprises in establishing or expanding their operations in Hong Kong this year so far. These new enterprises and investments will inject impetus into our economy, and bring diversity to our markets.

Ladies and gentlemen, sustainability is of paramount importance to our society, as the Chief Executive has mentioned in his Policy Address concerning the development in various sectors, from agriculture and fisheries, logistics to green finance. On behalf of the Government, I would like to compliment the Hong Kong Management Association on promoting the concept of sustainable development in the business community. I would also like to extend my congratulations to the new fellows and charter members of the Association, and to the awardees on their splendid efforts in embodying sustainability in their business model.

Lastly, I would like to remind everyone here that the seventh District Council Election will be held on December 10. I urge you to vote on Election Day to elect patriotic, committed and capable District Councillors for the good governance and well-being of Hong Kong. Thank you and I wish you all an enjoyable evening.

