

# Speech by FS at Guangdong-Hong Kong-Macao Greater Bay Area and Europe (France) Economic and Trade Cooperation Conference in Paris (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Guangdong-Hong Kong-Macao Greater Bay Area and Europe (France) Economic and Trade Cooperation Conference in Paris, France, today (May 24, Paris time):

Mr Wang Weizhong (Governor of Guangdong Province), Mr Lu Shaye (Chinese Ambassador to France), Ms Ao Ieong U (Secretary for Social Affairs and Culture of the Macao Special Administrative Region), Mr Gilles-Henry Garault (Vice-President of the Society for the Encouragement of National Industry), distinguished guests, ladies and gentlemen,

Bonjour, Mesdames et Messieurs. It gives me great pleasure to be back in Paris again, and in the springtime, no less. As some of you know, I was here last September, for Hong Kong's well-received "Think Business, Think Hong Kong" promotion.

Earlier this month, President Xi Jinping concluded his third, highly successful state visit to France, marking the 60th anniversary of China-France diplomatic relations.

Our goal this week, through the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) mission, is to build on the goodwill our leaders have established, to update you on the GBA, the boundless opportunities there for France – for French business and investment.

We are all coming from afar, but as the Chinese saying goes, "Nothing, not even mountains or oceans, can separate people with shared goals and vision." (Nothing can separate people with shared goals and vision.)

The GBA

The GBA is a vast consumer market. This cluster-city development boasts a per capita GDP (Gross Domestic Product) of around US\$23,000, and on a purchasing power parity basis, is equivalent to around US\$40,000.

The region's growing affluence presents a huge market for French goods. That certainly includes French wine and agricultural products. Hong Kong is a big fan of them – last year alone, we imported some 13 million bottles of French wine.

The GBA and its 11 constituent cities are blessed with regional and

global connectivity, counting seven airports that connect to 230 destinations and serve 220 million passengers a year. Half of the world's population is within five hours' flight from our airport.

The Hong Kong International Airport, in particular, has been the world's busiest cargo airport for 13 of the past 14 years. The airport's Three-runway System will be completed this year. That will double our cargo volume to about 10 million tonnes a year.

The GBA is also well served by high-speed rail and road networks, seamlessly connecting the cities in the region. From Hong Kong, you will reach Guangzhou in 45 minutes, and Shenzhen in just 15 minutes.

More than affluence and high connectivity, the GBA is a leader in innovation and technology (I&T). The Shenzhen-Hong Kong-Guangzhou science and technology cluster has been ranked second, globally, for the past four years by the World Intellectual Property Organization.

### Hong Kong's opportunities

Mesdames et Messieurs, ladies and gentlemen, Hong Kong is a core city in the GBA. Thanks to the "one country, two systems" principle, Hong Kong is the GBA's international entry point, the ideal base for French companies looking to tap into the region's vast opportunities, the best platform to build your Mainland and Asia business.

Through Hong Kong, you enjoy convenient and sometimes even priority access to the Mainland market, while taking full advantage of our international character under "two systems". That includes our long-standing common law practice; the free flow of capital, goods, people and information; a low and simple tax regime; a freely convertible currency pegged to the US dollar, and business practices aligned with the best international standards.

The rule of law is well tested and respected in Hong Kong. Our judiciary exercises powers independently, with nine non-permanent judges from the United Kingdom, Canada and Australia serving at Hong Kong's Court of Final Appeal.

Let me add that Hong Kong ranks favourably in the World Justice Project's Rule of Law Index, just two places behind France, but ahead of the United States.

Hong Kong also offers world-class professional services. For example, Hong Kong hosts around 1 500 foreign lawyers from 31 jurisdictions, and 73 foreign law firms from 19 jurisdictions. Our business and people-to-people connections are rich and extensive throughout the Chinese Mainland, the Asian region and well beyond.

For French businesses, Hong Kong uniquely stands out in a few areas: as an international financial centre, an innovation and technology hub, a transnational supply-chain management hub, and a leader in green and sustainable development.

## International financial centre

Hong Kong has long been one of the world's leading international financial centres (IFCs). More than 70 of the top 100 global banks and seven of the world's top 10 insurance companies operate in our city. Our stock market has a capitalisation of about 4 trillion euros, 11 times of our GDP.

And I would highlight one unique feature that distinguishes us from other IFCs, i.e. our mutual-market access programmes with the Mainland, or what we call the "Connect Schemes". The "Connect Schemes" is a trusted avenue for international investors to access the Mainland's capital market. For instance, over 70 per cent of foreign holdings of China's A shares were acquired through the Stock Connect. And around two-thirds of the trading of Mainland bonds by international investors were conducted through the Bond Connect.

Indeed, French companies which come to Hong Kong for listing may access both international and Mainland capital.

Our venture-capital and private-equity sectors are also thriving. Last year, assets under management in private equity totalled about 200 billion euros, second in Asia only after the Mainland. French companies at different stages of development will find the funding they need to support their business growth.

Hong Kong is the world's largest offshore Renminbi (RMB) business hub, and offers a multitude of RMB-denominated investment and risk-management products. French companies can come to Hong Kong to raise funding in RMB to support their business growth on the Mainland or invest in Hong Kong their RMB holdings from trade receipts.

## I&T hub

Under the National 14th Five-Year Plan and the GBA Outline Development Plan, Hong Kong is positioned as an international innovation and technology hub of the GBA. Our scientific research capabilities are excellent, with five of our universities ranked among the global top 100, two of our medical schools among the world's top 40. Hong Kong is also home to numerous world-class scholars and research institutes.

Take the research clusters on health sciences and AI (artificial intelligence) robotics for example. 29 those centres or labs are established in Hong Kong in collaboration with world-class universities around the world.

Meanwhile, we are developing a Science and Technology Innovation Co-operation Zone jointly with Shenzhen on our boundary area. The park's first batch of buildings and labs are expected to open at the end of this year. And you are welcome to join us.

## Green and sustainable hub

As an international green tech and green finance centre, Hong Kong is

connecting global green funds and green projects in our part of the world.

We are Asia's leader in green and sustainable finance. Last year, green bonds arranged in Hong Kong accounted for one-third of the entire Asian market. Hong Kong also actively participates in international green standard setting, aligns our green taxonomies with international, including European, standards, and devotes resources to nurture green talent to support green development in the region.

Welcome to Hong Kong

Mesdames et Messieurs, ladies and gentlemen, our doors and arms, are wide open for business and talent from France and from around the world.

That includes enterprises in such fields as AI and data science, life and health sciences, fintech, advanced manufacturing, new energy and new materials. We can offer tailor-made incentive packages as well as co-investment for the right projects.

We are also welcoming talent from all over the world. Our Top Talent Pass Scheme, launched in December 2022, and other talent programmes, are making a decided difference.

The response to our talent initiatives has been overwhelming, with more than 290 000 applications received to date.

We have approved 180 000 of them and around 120 000 people have already arrived in Hong Kong.

Hong Kong has always been a melting pot of cultures and people, East and West. We are home to over 10 000 French citizens and some 340 French companies. There is a French international school in Hong Kong, too. The French community are helping to build Hong Kong's flourishing future. No less important, they have long added French flair to our arts and culture, food and beverage, fashion and design – and all the joie de vivre that goes with them.

The business of pleasure is everywhere you look in Hong Kong. Some 200 Michelin-recommended restaurants are brimming with East and West culinary fare. You can walk to our seaside paths and country parks from the very heart of our skyscraper city. And walking in our city is a safe activity. Hong Kong is one of the safest metropolitan cities in the world.

You will need to see for yourself, ladies and gentlemen, and if I may show you the following video to give you a fresh taste of it all – of Hong Kong, Asia's world city.

That's Hong Kong, ladies and gentlemen: dynamic and welcoming, for business and investment, and for the many pleasures of life. I look forward to seeing you, soon, in Hong Kong. Merci beaucoup. Thank you.

