

# Speech by FS at Hong Kong Chartered Governance Institute 75th Anniversary Celebration (English only) (with photos/video)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Chartered Governance Institute (HKCGI) 75th Anniversary Celebration today (January 31):

David (the President of the HKCGI, Mr David Simmonds), Ellie (the Chief Executive of the HKCGI, Ms Ellie Pang), Ernest (the immediate past President of the HKCGI, Mr Ernest Lee), Edith (past President of the HKCGI Ms Edith Shih), fellow HKCGI members, ladies and gentlemen,

Good evening. It's a pleasure to join you tonight to celebrate the Hong Kong Chartered Governance Institute's milestone 75th birthday. It is also the 30th anniversary of the Institute's incorporation as an independent, local body.

For three-quarters of a century now, the Institute has been championing good corporate governance. That, to be sure, has been central to Hong Kong's success as an international financial centre.

Today, as David noted, the Institute counts more than 7 200 members, along with 3 000 students in Hong Kong and the Mainland. I'm proud to be a member, too – to be one of you.

The Institute has done much good work over the years. It establishes its thought leadership through thematic researches and studies, and provides valuable professional training and support to its members. Most importantly, you are a staunch partner of the Government. From corporate governance to ESG and anti-money laundering, the Institute has been providing sound advice and contributing to Government's policy formulation and implementation.

## A Resilient Hong Kong

Ladies and gentlemen, "Resilience in Governance" is the apt theme of both this anniversary gathering and the Institute's year as a whole. Indeed, "resilience" is an equally compelling character of Hong Kong.

We are firmly in the post-pandemic economy now. That said, we have a new and equally complex set of challenges to overcome. An enduring high-interest rate environment is affecting asset prices and investment appetite. Geopolitical tensions have led to greater protectionism, geoeconomic fragmentation, and negative narratives about the Mainland and Hong Kong. Competition among economies has intensified, too.

Still, we have good reason to be optimistic.

For so long, Hong Kong has weathered one challenge after another. Remember the Asian financial crisis in 1998, or the global financial crisis in 2008. Each time, we rose to the challenge, and strengthened our defences. We emerged stronger and more resilient.

Just as the National Security Law (NSL) was enacted in June 2020, there were doubts and criticisms, at first. But the facts speak for investor's confidence. Banking deposits in Hong Kong, for instance, were at HK\$16.2 trillion at the end of 2023. That's around 17 per cent higher than before the enactment of the NSL.

And Hong Kong remains Asia's leading asset and wealth management centre, handling more than US\$4 trillion in assets in 2022. We are also Asia's largest hedge fund hub and the region's second-largest private equity centre. We lead Asia in green and sustainable finance as well.

Last year, Invest Hong Kong attracted more than 380 overseas and Mainland companies to set up or expand their businesses in Hong Kong, increasing by 27 per cent than 2022. They will invest more than \$61 billion, up more than 1.9 times than the year before.

The American Chamber of Commerce's annual business sentiment survey was released just yesterday. And 60 per cent of its members said Hong Kong's business environment was excellent, very good or good. Nearly 70 per cent said their operations last year had not been negatively impacted by the NSL.

As for this year, 74 per cent believed our business outlook will be optimistic or neutral.

Coincidentally, the President of the German Chamber of Commerce also recently expressed confidence in Hong Kong's investment environment.

Yesterday, the Government launched an important consultation. Our plan to legislate for Article 23 of the Basic Law. It will complete our constitutional obligation, and also reinforce the very basis of our city's development, that is a safe and stable business environment. Our unique strengths under the "one country, two systems" arrangement, such as the common law system, the rule of law, trusted regulatory regimes, the free flow of capital, information, goods and people, all that, and more, will remain firm as ever.

In short, Hong Kong will continue to be a friendly and favoured city for doing business.

Staying ahead of competition

In fact, we are making great strides to spur the city's economic development.



For this, we welcome your thoughts on how best to adopt the standards to suit the needs of Hong Kong.

### Concluding remarks

Ladies and gentlemen, for 75 years now, the Government and the financial industry have looked to the Institute, to you, for insight and invaluable support. My congratulations to you once again, and we look forward to continuing our close collaboration in the decades to come.

May I also wish you all the best of health, business and good governance in the promising new Year of the Dragon, just 10 days away. Let's make this dragon fly. Thank you.

