

Speech by FS at Ninth Belt and Road Summit Keynote Luncheon (English only) (with photo)

â€‹Following is the speech by the Financial Secretary, Mr Paul Chan, at the Ninth Belt and Road Summit Keynote Luncheon today (September 11):

Your excellency Mrs Dilma Rousseff (President of New Development Bank), Honourable Ministers and representatives from the Belt and Road countries, Dr Peter Lam (Chairman of the Hong Kong Trade Development Council), distinguished speakers and guests, ladies and gentlemen,

Good afternoon. It is my pleasure to welcome all of you to Hong Kong, and to this keynote luncheon of the Belt and Road Summit.

A special welcome to Her Excellency Mrs Dilma Rousseff, former President of Brazil and currently President of the New Development Bank. We are all eager to hear her inspiring perspectives on the Belt and Road Initiative in just a few moments.

For now, let me serve as your appetiser.

The Belt and Road Initiative: Opportunities with Hong Kong

Since it was first proposed by President Xi Jinping in 2013, the Belt and Road Initiative has connected countries, regions and continents through advancing infrastructure development, and strengthening collaboration in trade, investment, and people-to-people exchanges.

Over the years, the Initiative has delivered real and tangible benefits to communities across the globe, bringing people together and making valuable contributions to the building of a global community with a shared future.

Hong Kong has long been a proud participant, contributor and beneficiary of the Belt and Road Initiative. Our prime value proposition lies in our ability to connect. As the Initiative embraces a new decade, Hong Kong will continue to leverage our unique position and strengths as an international financial, trade, shipping and professional services centre, striving to offer new opportunities and create value for economies, enterprises and people along the Belt and Road.

One area ripe with opportunities is our diversified financial services.

After all, Hong Kong is Asia's premier fund-raising hub. With a diverse equity, bond and currency market, we provide an ideal environment for Belt and Road governments and companies to raise funds for infrastructure, green transition, and community projects.

This is evident in our deep and extensive stock market with a capitalisation of around US\$4 trillion.

We welcome companies and projects from the Belt and Road economies to list in Hong Kong, where they could gain access to Mainland and international capital. Last year, the Hong Kong Stock Exchange reached agreements with the stock exchanges of Saudi Arabia and Indonesia, facilitating quality companies from these economies to secondary list in Hong Kong. Recently, we added Abu Dhabi and Dubai to our list of partners, further expanding our connectivity with these dynamic markets.

Our bond market is equally vibrant. Bonds issued in Hong Kong come in various forms, currencies and tenures, catering to the diverse needs of borrowers and investors around the world. For many years, governments and international organisations have used Hong Kong to raise funds to support their development, including the New Development Bank, I'm pleased to note.

In particular, Hong Kong continues to be Asia's leader for green and sustainable finance, helping regional and global green transition. We are providing subsidies for bond issuers and loan borrowers to help cover part of their expenses related to green bond issuance and external review services. Over the past three years, green and sustainable debt issued or arranged in Hong Kong amounted to over US\$63 billion per annum. Green bonds issued accounted for over one-third of Asia's total.

We also lead in thought leadership and capacity building. Our green taxonomies and standards align seamlessly with the best international standards. We also offer a variety of training and internship programmes in green finance. You are most welcome to take advantage of these.

Speaking of green, it is essential to highlight our vision of becoming an international green technology and green finance centre.

Hong Kong's green tech sector is fast rising. Among the many environmental and climate technologies developed by our tech start-ups, a newly emerging area is electric vehicles (EV). While Hong Kong may not be a mass EV production base, our tech firms are leading the way with advanced EV charging solutions, which have opened up markets in countries such as Thailand and Australia. They are set to help fuel the ambitions of Belt and Road countries in embracing net-zero transportation.

Beyond the financial and technology sector, our professional services are top-notch and ready to assist our Belt and Road partners with infrastructure and other projects – from feasibility studies to project design, and from construction to operation. The wide range of professional services we offer include legal, finance, consulting, dispute resolution, and risk management.

Indeed, as a major international risk management centre, Hong Kong possesses the expertise, experience and institutions to manage risks associated with large infrastructure projects and other events, including a

comprehensive array of insurance, re-insurance and consulting services.

For example, catastrophe bonds which allow investors to share natural disaster risks with attractive returns. Since 2021, five catastrophe bonds have been issued in Hong Kong, covering events from earthquakes to storms, spanning locations from the Mainland to Chile, and from Japan to Jamaica, with a total value exceeding US\$700 million. Two of these bonds are listed on the Hong Kong Stock Exchange.

Concluding remarks

Ladies and gentlemen, from financial to professional services, and from supporting green transition to risk management, there is much that Hong Kong can contribute to the bright future of your economy. We stand ready to work with you, to grasp the opportunities ahead, and co-create a more interconnected, mutually beneficial and prosperous future for all.

Finally, while you are here in Hong Kong, I encourage you to take the time to enjoy this splendid city. Try some of our 200 Michelin-recommended restaurants, which offer a delightful blend of East and West culinary fare. We have no import duty on wines, by the way. Stroll along our beaches. Or explore our country parks and World Heritage Geopark. Or enjoy the sea breeze at the harbourfront. And don't miss the two world-class museums in our West Kowloon Cultural District: the Hong Kong Palace Museum and the M+.

I assure you, you will fall in love with this great city. Thank you very much.

