

# Speech by FS at Think Business Think Hong Kong Dinner (English only) (with photos/video)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Think Business Think Hong Kong Dinner in Paris, France, yesterday (September 19, Paris time):

Madame La Présidente (the President of the Ile-de-France region, Mrs Valérie Pécresse), Peter (the Chairman of the Hong Kong Trade Development Council, Dr Peter Lam), mesdames et messieurs, ladies and gentlemen, friends of Hong Kong all,

Bonsoir. Good evening, and welcome to the Hong Kong Dinner in Paris. It's a great pleasure to be here with you tonight.

Let me confess, upfront, that I was happy to hear about today's rest day at the Rugby World Cup taking place here in Paris and cities throughout France. That surely made it a little easier for us all to "Think Business, Think Hong Kong" at today's symposium, rather than "Think Rugby, Think Les Bleus".

Tonight, we celebrate the bonds that have long rewarded our two economies, our two peoples and, yes, our many rugby-mad fans.

For those of you who took part in today's Symposium, I'm confident you came away energised by the business prospects, the long-term promise, that Hong Kong and France can offer each other.

For those of you unable to attend, allow me, for the next few minutes, to speak of the business promise there for all of us.

Hong Kong, as you know, went through social unrest in 2019, followed by the COVID pandemic – three years of daunting challenge to our economy and our community.

Today, I'm pleased to tell you, Hong Kong is back, open and connecting, once again, with a world of business.

"One country, two systems" and Hong Kong's unique advantages

There have been media reports that Hong Kong is losing its identity. I'm here to tell you that their pessimism is misplaced. Hong Kong's singular "one country, two systems" principle is alive and well.

And, as President Xi Jinping has reaffirmed on several occasions over the past year, "one country, two systems" will be here in the long haul. And it has been reiterated at high-level state and party meetings in Beijing.

That means Hong Kong's many advantages – our long-established common law system, rule of law, free flow of capital, goods, information and talent, simple and low tax regime, freely convertible currency, and the unique position in China's economic development strategies, will continue.

Speaking of the rule of law, last year's Rule of Law Index, by the World Justice Project, ranked Hong Kong 22nd out of 140 countries and jurisdictions – just behind France and ahead of the United States.

Hong Kong's development positioning

So, all in all, we are the only city in the world where our international advantages and our China advantages converge.

In fact, it is in our country's interest that Hong Kong maintain not just our exemplary common law system, but also continue to thrive as an international trade, shipping and financial centre and critical gateway between the Mainland and the rest of the world.

That reality is underlined in the National 14th Five-Year Plan, where Hong Kong has been designated as an international centre for trade, shipping, finance, aviation and innovation and technology, as well as regional hub for legal and dispute resolution services and intellectual property trading. And we are an East-meets-West centre for international cultural exchange.

Greater Bay Area – an international innovation and technology centre

As many of you know, Hong Kong is part of the Guangdong-Hong Kong-Macao Greater Bay Area, a cluster-city development counting Hong Kong, Macao and nine neighbouring cities in Southern China's Pearl River Delta.

More than a huge, and growing, consumer market, the Greater Bay Area is burgeoning as an innovation and technology hub combining the competitive advantages of its cities: excellent scientific research, trusted intellectual property rights protection, and sophisticated financial services in Hong Kong; and strong technological innovation, commercialisation and advanced manufacturing capabilities in neighbouring Mainland cities.

And we are dedicated to attracting enterprises in areas such as life and health science, AI and big data, fintech, advanced manufacturing, and new materials and new energy to Hong Kong.

We are offering special facilitation measures – covering land, financing, tax concessions – for the right companies. And we stand ready to co-invest. If the companies want to bring in talent, our doors are wide open. That's because our opportunities are wide open. We're encouraging such enterprises to base themselves in the Northern Metropolis, a 300 square kilometre area bordering Shenzhen, which will rise as an innovation and technology (I&T) hub.

More innovative policies are being taken forward to deepen our I&T collaboration with Shenzhen. For example, Mainland data will be made available to Hong Kong for use in the joint science park in the Northern

Metropolis. Great news for businesses in health science and AI.

## New developments as an IFC

As for our international financial centre, allow me to highlight a few areas.

Our Connect Schemes with the Mainland allow Mainland investors to invest in shares and bonds listed in Hong Kong, and vice-versa for international investors. And we continue to expand and deepen the Schemes, which have now been extended to ETFs (exchange-traded funds) and derivatives contracts.

Companies listed in Hong Kong are able to access both international and Mainland capital.

Hong Kong leads Asia in green finance thanks to the sheer amount of green debts we issued – 75 billion euros in 2022. Together with the tech prowess of Hong Kong and the Greater Bay Area, I envision Hong Kong to be the leading international centre for green tech and green finance.

Given the growing importance of the Renminbi as a currency for trade settlement and reserve, Hong Kong has become the offshore Renminbi business hub, and has much to offer. We hold about one trillion in Renminbi deposits, and handle 75 per cent of the world's Renminbi trade settlements. And we will continue to expand our Renminbi-denominated investment and risk-management products to suit users' needs.

In short, with our combined strengths in I&T and financial services, Hong Kong, together with the Greater Bay Area, is becoming a world-class cluster of cities combining the strengths of the San Francisco Bay Area and the New York Bay Area.

## Investment in infrastructure

To support our ambitious development plans, we will invest heavily in infrastructure including the Northern Metropolis and a large reclamation project at Kau Yi Chau. We estimate that the annual works expenditure in the coming decade will be in the order of 36 billion euros. We welcome French businesses, consultants and professionals to join us in realising these opportunities.

## Arts and Culture Hub

The creative industries are no less central to Hong Kong. To our business future and our day-to-day, cosmopolitan lifestyle.

Think of Art Basel. Back in March after a three-year pause, it featured some 180 international galleries, attracting more than 86 000 people from all over the world.

Hong Kong is one of the world's largest art markets, with nearly 8 billion euros in artwork, collectors' pieces and antiques sold by auction in 2021. And keep in mind that our consignment tax is at just 0.5 per cent, and

we don't charge VAT (value-added tax).

And with the opening of the Hong Kong Palace Museum and M+ museum of contemporary visual art, our West Kowloon Cultural District becomes one of the world's largest cultural landmark.

Let me add that our annual French May Arts Festival celebrated its 30th anniversary earlier this year. Over the past three decades, French May has dazzled Hong Kong with a remarkable range of programmes and performances embracing French arts and culture.

### Cosmopolitan lifestyle

So I invite you to see for yourself. Come to Hong Kong for the arts and culture, for such mega-events as the Wine and Dine Festival taking place at the end of October. Or for yum cha, or late-night wonton noodles, or one of our more than 200 Michelin-recommended restaurants.

And when you're done dining, head for the hills, for one of our dazzling country parks, which account for about 40 per cent of Hong Kong's territory. Visit the UNESCO Global Geopark, with its stunning volcanic rock columns, just an hour's drive from Central. Or near the sea town of Sai Kung, stroll through an old Hakka hamlet fronted by salt pans and fish ponds, its village houses and chapel revitalised.

That's Hong Kong, ladies and gentlemen: revitalised and welcoming, for business and investment, for the many pleasures of life. Today, tomorrow and long down the road.

My thanks to the Hong Kong Trade Development Council for organising the Hong Kong Dinner in Paris.

I know you will enjoy this very special evening, and the good company all about you.

Merci beaucoup and bon appetit.

