

Speech by FS at webinar on “Economic Recovery from Covid-19 and Beyond” (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the webinar on "Economic Recovery from Covid-19 and Beyond" organised by the Hong Kong Academy of Finance today (July 6):

Eddie (Chief Executive of the Hong Kong Monetary Authority and Chairman of the Hong Kong Academy of Finance, Mr Eddie Yue), KC (Chief Executive Officer of the Hong Kong Academy of Finance, Mr KC Kwok), Siddharth (Chief Representative for Asia and the Pacific, Bank for International Settlements, Mr Siddharth Tiwari), distinguished guests, ladies and gentlemen,

Good afternoon. And to Agustín (General Manager, Bank for International Settlements, Mr Agustín Carstens), joining us from Basel, head office of the Bank for International Settlements, a very good morning.

The 91-year-old Bank for International Settlements, collectively run by 63 central banks, including the Hong Kong Monetary Authority, released its Annual Economic Report last week. Agustín, the Bank's General Manager, will address its central findings in just a few minutes.

Without giving too much away, let me say that the Report's introduction certainly caught my attention. It was led by the headline "A Bumpy Pandexit".

That, I'd say, is a telling summary of the global economy, which today remains under the influence of COVID-19. More than bumpy, it is distressingly uneven. That said, it is also surprisingly strong.

China has been leading the economic way for the world. The GDP of the Mainland, as the Report notes, is "well above its pre-crisis level".

Hong Kong, I'm pleased to say, is also in a good place today, thanks largely to a fiscal strategy built on supporting businesses and safeguarding jobs. To date, the Government has injected nearly US\$39 billion to support businesses, keep workers working and help those in need. We also provide liquidity support to enterprises and the unemployed by government loan guarantee schemes.

With Hong Kong's infection ratio among the lowest in the world, our strategy now is relaunching the economy and creating jobs.

An electronic consumption voucher scheme kicks in next month, distributing about US\$650 to every eligible permanent resident in Hong Kong. That initiative, one among many, underlines our determination to boost domestic consumption and kick-start the Hong Kong economy.

Beyond the short-term stimulus, we are committed to creating a more

diversified and sustainable economy. Innovation and technology is central to that goal. And our strategy is to leverage on the development strategy of the Mainland.

Hong Kong is the only international city in the world that offers a secure, dynamic environment for business and direct access to the Mainland economy. And our country's 14th Five-Year Plan supports Hong Kong's continuing status as an international financial centre, a global offshore Renminbi business hub and an international asset-management and risk-management centre.

You'll hear more about that from Eddie later this afternoon.

For now, allow me to thank the organisers: the Hong Kong Academy of Finance, which celebrated its second anniversary just 10 days ago, and the Asian office of the Bank for International Settlements. The Bank has stepped up its collaboration with central banks in Asia and its Asian office, which is based right here in Hong Kong, together with one of the Bank's four global Innovation Hubs.

Hong Kong has much to offer in a more open and multilateral system. We welcome the opportunity to collaborate with institutions like the Bank, which offers both cutting-edge analysis and an innovative mindset. Continuing innovation is the only way forward – for the Bank, as for the Hong Kong economy. Working together, I'm confident we'll realise our goals.

I know you will enjoy today's dialogue, and I wish you all a rewarding – and smooth – pandexit.

Thank you.