

Speech by SCED at “Investment Opportunities in Thailand – A Prime Gateway to ASEAN” webinar (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Edward Yau, at the "Investment Opportunities in Thailand – A Prime Gateway to ASEAN" webinar, co-organised by the Royal Thai Consulate-General in Hong Kong and the Federation of Hong Kong Industries (FHKI) today (December 20):

Dr Chai (Chairman of FHKI, Dr Sunny Chai), Consul-General (Consul-General of Thailand in Hong Kong, Mr Tull Traisorat), distinguished speakers, ladies and gentlemen,

Good afternoon. It is my great pleasure to join you today for this webinar which is kindly organised by the Federation of Hong Kong Industries and the Royal Thai Consulate-General in Hong Kong. The relations between Hong Kong and Thailand have gone a long way, and today's discussion is particularly timely, when both places are seeking means to enhance regional collaboration in the post-COVID era.

I recall that prior to the outbreak of COVID, in the year of 2019, there were at least three Hong Kong business delegations organised to Thailand, reflecting Hong Kong's strong interests in Thailand. I still recall over 50 leaders from business and professional sectors joined the Chief Executive in her visit to Thailand in November 2019. During the visit, we were warmly received by our Thai counterparts. Both sides signed the "Memorandum of Understanding on Strengthening Economic Relations" covering a wide range of areas, including trade and investment, financial services, creative industries and human resource development. It provides a solid foundation for our future collaboration. Since then, progress has been made in a number of fronts, e.g. exploratory talks on negotiating a bilateral free trade agreement has commenced.

In 2020, Thailand was Hong Kong's 10th largest merchandise trading partner, and one of the closest partners among the ASEAN (Association of Southeast Asian Nations) members. On the other hand, Hong Kong was also Thailand's eighth largest trading partner, fourth largest export market and fifth largest investor. Our bilateral trade amounted to US\$17.4 billion last year and is expected to be on the rise. Besides, foreign direct investment from Hong Kong to Thailand amounts to approximately US\$592 million.

One important contributing factor to the closer bilateral economic relationship is the Free Trade Agreement signed between Hong Kong and the ASEAN in 2017, and Thailand was among the first ASEAN Member States to ratify

the ASEAN-Hong Kong Free Trade Agreement and the Investment Agreement. Taking our co-operation to new heights and fresh directions, the Hong Kong Economic and Trade Office was opened and commenced operation in Bangkok in February 2019, further strengthening Hong Kong's economic and trade relations with Thailand and the ASEAN region at large.

I am glad to see Thailand is taking forward various economic initiatives such as "Thailand 4.0" and the Eastern Economic Corridor development, which will create a lot of business opportunities. Given the strengths of Hong Kong's professional services and financial services sector, they can definitely play a greater role by partnering with their Thai counterparts and seize the opportunities together. The prowess of Hong Kong's professional services is second to none. The professional services that Hong Kong offers are useful for many infrastructure and investment projects, including our services in project financing, legal and dispute resolution, accounting, insurance, and architecture, just to name a few.

Thailand would be a good landing spot for Hong Kong enterprises looking to establish a presence in the ASEAN region. Later in this webinar, there will be introduction of an Economic and Trade Co-operation Zone established together with China, which I am confident will be attractive for Hong Kong enterprises that are setting an eye for putting up manufacturing facilities in Thailand.

Apart from traditional manufacturing, Hong Kong and Thailand enterprises may together explore new areas of collaboration. Hong Kong aspires to be an I&T (innovation and technology) hub, and there should be significant partnership potential in the areas of technology application, telecommunications, smart city, public health or COVID-19-related technology which are currently in heavy demand.

Looking forward, the year 2022 will be important to both sides. For Hong Kong, we will be celebrating the 25th Anniversary of the Establishment of the HKSAR (Hong Kong Special Administrative Region). It will be marking a new beginning of future of hope and confidence, and we are fortunate to be part of the Guangdong-Hong Kong-Macao Greater Bay Area, where its 86 million consumers offer a great market for businesses. With the support from the Chinese Central People's Government, Hong Kong can help Thailand in tapping into the potential of the Greater Bay Area and beyond in the Mainland of China.

The Belt and Road Summit will be one of the major events to celebrate our 25th Anniversary. It is now planned for end August/early September next year. I would like to take this opportunity to thank Dr Sansern Samalapa, Vice Minister for Commerce of Thailand, for participating as a panelist in this year's Belt and Road Summit, and invite friends from Thailand government and enterprises to join the next Summit as well as other celebration events in 2022. The Summit will definitely continue to provide plenty of opportunities to Thai businesses.

For Thailand, your country will be hosting APEC (Asia-Pacific Economic

Cooperation) meetings next year. We support Thailand's theme for APEC in 2022 – i.e. "Open. Connect. Balance." driven by the bio-circular-green (BCG) economy concept. Hong Kong has all along attached great importance to sustainable growth which echoes Thailand's advocacy on BCG. We have announced our Climate Action Plan 2050 which sets out proactive strategies and measures to reduce carbon emission with a view to achieving carbon neutrality before 2050. A number of green initiatives have been adopted to facilitate strong and sustainable economic growth in Hong Kong, e.g. changing our fuel mix. Internationally, ranking number three in the Global Financial Centres Index and with the world's sixth largest stock market, Hong Kong is well positioned to provide the necessary financial services support and participate actively in the global transition towards a low-carbon and sustainable economy.

Over the years, the Hong Kong SAR Government, together with our financial regulators, have been developing green and sustainable finance to boost investments conducive to reducing carbon emissions and building a low-carbon economy. To further enhance our position as a green and sustainable finance hub in the region, we are now doubling our efforts to promote market development, align Hong Kong's regulatory standards with international best practices, encourage more entities to make use of Hong Kong's capital markets as well as financial and professional service, and capitalise on the enormous green finance opportunities presented in the region and the Belt and Road Initiative at large. We will be happy to join hands with other APEC member economies to work towards a carbon neutral future. And I wish Thailand every success in the hosting for APEC meetings.

2022 will also be a milestone year for regional co-operation, as the Regional Comprehensive Economic Partnership (RCEP) is expected to enter into force on the first day of the year. This will send the world a strong and clear message in support of an open, inclusive and rules-based trade and investment arrangement. And for this, Thailand should be commended for being one of the forerunners in ratifying the RCEP. Hong Kong is a like-minded partner in this respect, as we are a staunch supporter of free and open trade, and committed to broadening and deepening regional economic integration and co-operation. Hong Kong embraces the vision and objectives in the formation of the RCEP and under the Belt and Road Initiative, we are prepared to add value to the RCEP and foster closer ties with members of the RCEP. Hopefully we can join the RCEP and be part of the family in the soonest future.

Ladies and gentlemen, in this challenging period of pandemic, we are actually finding more potential for collaboration between Hong Kong and Thailand. I am sure that once the pandemic subsides and normal travel resumes, our people-to-people ties will continue to grow. The event today serves also as a good start to reconnect with each other. I wish you fruitful discussions and a successful event. As a new year is approaching, may I wish you all a most rewarding year ahead. Thank you.