

Speech by SCED at reception for Promotion of Investments cum Expression of Appreciation to Stakeholders in Hong Kong (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the reception for Promotion of Investments cum Expression of Appreciation to Stakeholders in Hong Kong today (October 31):

Your excellencies, distinguished guests, ladies and gentlemen,

Good evening. I am delighted to extend a warm welcome to everyone attending this cocktail reception. Thank you for joining us today.

Hong Kong prides itself as one of the most important and attractive investment hubs in the world. We are consistently on the top of the world's investment league: number four and number seven for foreign direct investment inflows and outflows respectively in 2022. Apart from our own strengths, allow me to express my sincere appreciation to you and all stakeholders for the profound and enduring efforts you have made over the years, in making Hong Kong a success on the investment front.

It is a priority of the current-term Government to attract enterprises and investments from all over the world. Renowned for being a robust free-market economy, we are committed to enhancing protection and guarantees for foreign direct investment. Foreign and Mainland enterprises can rest assured this level playing field and that the free market mechanism will continue as guaranteed under the Basic Law.

Invest Hong Kong (InvestHK), our investment promotion agency under my bureau, has been striving to assist Mainland and foreign companies in setting up or expanding their businesses in our city. I am pleased to tell you that, during the first nine months of this year, InvestHK has assisted 300 companies from various sectors around the globe, an increase of 27 per cent compared to the same period last year, surpassing the KPI (key performance indicator) announced in the 2022 Policy Address on a pro-rata basis. Through its global network, InvestHK stands ready to offer one-stop customised support services to enterprises.

And we will continue to expand our global network and reach out to more stakeholders. Currently, the Hong Kong family, including our overseas Economic and Trade Offices, InvestHK and the Hong Kong Trade Development Council, has offices in 65 cities around the world covering 128 countries.

The Chief Executive announced in his 2023 Policy Address delivered last week that we will set up more offices along the Belt and Road, particularly in emerging markets in the Middle East, Central Asia and Africa, so as to strengthen our investment and trade promotion efforts.

Going hand in hand with investment promotion is investment protection, which is certainly one of the main considerations of investors in making investment decisions. Our domestic legal regime is already one of the best for investment protection. Yet, Hong Kong has been making relentless efforts to add another level of protection – by forging Investment Promotion and Protection Agreements (IPPAs) to further assure overseas investors that their investments in Hong Kong are protected, and at the same time enable Hong Kong investors to enjoy similar protection in respect of their investments overseas.

The Chief Executive has foreshadowed in his 2023 Policy Address that Hong Kong and Türkiye would sign an IPPA very soon. In this connection, I am very pleased to announce that the IPPA has just been signed earlier today. The Consul General of Türkiye is with us today, and I thank him and his office for assistance throughout the negotiations of the agreement. We look forward to its coming into force soon on completion of the respective internal procedures on the two sides.

This is the 23rd IPPA signed by Hong Kong, and the first IPPA signed by this term of Government, bringing our IPPA coverage to a total of 32 trading partners. It sends a very positive signal to the investment community that Hong Kong and Türkiye are committed to enhancing protection and guarantees for foreign direct investment. Following the signing of the Hong Kong-Türkiye IPPA today, the geographical scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales is also extended to Türkiye with immediate effect, to support Hong Kong enterprises in making use of better protection afforded by the IPPA to develop their businesses in the Turkish market.

With our long-standing commitments and dedicated efforts in strengthening bilateral trade and investment ties, Hong Kong will continue to explore and forge IPPAs with other economies, in particular with countries along the Belt and Road and in the Middle East region.

As announced by the Chief Executive in his 2023 Policy Address, Hong Kong has also commenced the IPPA negotiations with Bangladesh. Bangladesh is one of the important participants of the Belt and Road Initiative, with a huge market of around 170 million in population. Its economy has been growing rapidly in recent years and is a manufacturing hub in South Asia, and is already an investment destination of many Hong Kong manufacturers. I am confident that an IPPA will help enhance two-way investment flows between the two sides, and will bring mutual benefits to the two economies.

In addition, we also attach great importance to the Middle East region, a key link at the crossroads of Asia, Europe, and Africa. Earlier this year, the Chief Executive led a high-level delegation to visit the Middle East region to promote Hong Kong's advantages and investment opportunities. During

his trip, the Chief Executive announced the launch of formal IPPA negotiations with Saudi Arabia. Formal negotiations have already started after the visit, and I look forward to its early conclusion.

What's more, we are having intensive IPPA negotiations with Bahrain, another trading and investment hub in the Middle East. I have asked my negotiating team in the Trade and Industry Department to keep up their efforts with a view to concluding the negotiations soon, so that our investors can enjoy the benefits of the IPPA as soon as possible.

Apart from investment, some other initiatives of my bureau in the 2023 Policy Address would also be of interest to you. We will continue to strengthen bilateral and regional co-operation. We are working at full steam with the free trade agreement negotiations with Peru, and striving for early accession to the Regional Comprehensive Economic Partnership. To promote Hong Kong as the functional platform for the Belt and Road Initiative, we will organise more outbound missions to promote Hong Kong professional services, as well as visits to the Guangdong-Hong Kong-Macao Greater Bay Area for overseas enterprises operating in Hong Kong. We will continue to support our SMEs (small and medium-sized enterprises) in terms of developing e-commerce business on the Mainland, export credit insurance, and financing. We will enhance our intellectual property regime and offer a tax incentive for qualifying profits derived from patents. All these measures are to create strong impetus for our economic growth and provide more opportunities for local and international businesses.

Ladies and gentlemen, let me once again express my heartfelt gratitude to you and your staunch support to Hong Kong and our investment promotion work. And we look forward to continue working with you and your organisations in the furtherance of co-operation and bilateral investment flow. In particular, we are open to forming partnerships and forging IPPAs, and we call upon your support in this matter. Thank you, and I hope you have a very enjoyable evening.

Thank you very much.