

Speech by SCED at thematic forum on economic and trade co-operation zone promotion of second Belt and Road Forum for International Cooperation in Beijing(English only)(with photos)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Edward Yau, at the thematic forum on economic and trade co-operation zone promotion of the second Belt and Road Forum for International Cooperation in Beijing this morning (April 25):

Thank you, Professor Ge (Director of the Nankai Institute of International Economics of Nankai University, Professor Ge Shunqi).

Speaking of the advantages of Hong Kong, I think what Hong Kong can offer to the economic zones along the Belt and Road can be summarised into three points: first is financing; second is professional services; and third, looking ahead, might be I&T (innovation and technology).

Hong Kong is no stranger to all these economic and trade co-operation zones along the Belt and Road, although you may not necessarily notice many Hong Kong company names along the way. As the previous speaker talked about the Belarus industrial zone (China-Belarus Industrial Park), he mentioned companies like the China Merchants Group (CMG). I can see the CEO, Mr Li (Chairman of China Merchants Group Limited, Mr Li Jianhong) sitting over there. These companies, while their names bear the China characters, are at the same time Hong Kong companies. The CMG, for instance, has been in Hong Kong for over a hundred years, and is one of the listed companies in Hong Kong.

Our presence in these industrial zones and commercial zones along the Belt and Road is in fact serving Hong Kong's critical role as the financier. In this time and age, many of these projects involve major infrastructural developments. They are mega projects beyond the financing capability of a single company or a single nation, so the question of how to finance these projects is an important one, and Hong Kong as a global financial centre is there to serve this role. We are also China's biggest offshore Renminbi centre.

The second contribution that we can make is on professional services. Before we talk about financing when there is actual money coming in, you need first of all professional services' input, during and after the development of all these zones. In striking a deal, assessing, managing and minimising risks so as to minimise the cost of financing is a prerequisite. All these involve a wide range of professional services from legal, insurance and accounting to business consulting. These are commonly available in the

city of Hong Kong. And these professional services are not just home grown, they also include international firms having their foothold in Hong Kong.

That brings me to my third point. While we are seeing that many of these trade and economic zones are heavily focused on infrastructure and manufacturing to start with, nothing would prevent these zones from developing into I&T hubs, as we talk about moving further outwards to logistics, trade and e-commerce. And that's where I&T comes in.

Hong Kong together with our neighbouring cities including Macao and the nine cities adjacent to us in Guangdong Province form ourselves into the Greater Bay Area, which is in fact the major I&T hub in this part of the world taking advantage of Hong Kong being the research centre, and the neighbouring cities with advanced manufacturing and prototyping capabilities. Together, we provide the third contribution in addition to financing and professional services, which is the I&T solution.

In brief, what Hong Kong can offer is not just from the city of Hong Kong. We can go beyond being a financial centre, but also leverage on the diversified network we have, and make good use of the strength of professional services and embarking further onto I&T development. So I think we stand ready to contribute in our small ways and hopefully that will make some differences.

Thank you.

