

Speech by SCED at Tokyo ETO 35th anniversary reception (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the reception to celebrate the 35th anniversary of Hong Kong Economic and Trade Office in Tokyo (Tokyo ETO) in Tokyo, Japan, today (June 19):

Ambassador Wu (Chinese Ambassador to Japan, Mr Wu Jianghai), Vice Speaker Kaieda (Vice Speaker of the House of Representatives of Japan, Mr Banri Kaieda), Vice-Minister Akimoto (Parliamentary Vice-Minister for Foreign Affairs of Japan Mr Masatoshi Akimoto), distinguished guests, ladies and gentlemen,

Konbanwa ("good evening" in Japanese). Good evening.

Thank you for coming tonight. This reception is organised to celebrate the 35th anniversary of our Hong Kong Economic and Trade Office in Tokyo. To date, Hong Kong has set up a total of 14 overseas economic and trade offices (ETOs) around the world. The Tokyo office is one of the earliest. It shows how much we value our economic relations with Japan.

The COVID-19 pandemic sent shockwaves through the world economy and triggered the largest global economic crisis in more than a century. It brought about so many changes, from economic structure to business models. It changed our societies. It changed people's lifestyles.

But some things remained unchanged. Hong Kong people still love Japan very much. In the first four months of 2023, Hong Kong visitors were the third largest source of Japan's inbound visitors. The total amount of their consumption during the first quarter of 2023 was about 105 billion yen, coming to the fourth place and accounting for more than 10 per cent of Japan's revenue from foreign tourists.

Before the pandemic, there were direct passenger flights from Hong Kong to 18 destinations across Japan, more than any other foreign country in the world. Given the strong comeback of demand, our home-based airlines have been working hard to resume direct flights to various airports in addition to major cities, such as Takamatsu, Kagoshima, Ishigaki and Yonago.

Equally, Japanese companies love Hong Kong. Hong Kong has always been a preferred location for foreign companies. In 2022, around 9 000 overseas and Mainland Chinese companies have established a presence in Hong Kong. Out of those, about 1 400 are Japanese companies, making you the largest foreign business community in our city.

In 2021, Hong Kong was the third largest recipient of foreign direct investment in the world, after the United States and Mainland China,

demonstrating that Hong Kong remains a very attractive location for enterprises from around the world to set up or expand their businesses.

This vote of confidence from foreign companies, including the Japanese ones, is hard-earned. Against the headwind of the pandemic and social unrest, Hong Kong continues to enjoy unrivalled advantages under the "one country, two systems" principle. We achieved this by maintaining an open and free market, a fine tradition of the rule of law and an independent judiciary. Hong Kong continues to be recognised as the world's freest economy with the best investment environment, a global financial centre and one of the most competitive economies around the globe.

We fully understand that some people may have concerns over Hong Kong's business environment after the implementation of the National Security Law. But the facts speak for themselves. Our business environment has been flourishing as ever with the strong foundations we have established. According to a survey conducted by the Japan Consulate-General in Hong Kong and others, the concern on the National Security Law reached an all-time low in the second half of 2022.

If you have the chance to visit Hong Kong, you will find out in no time that foreign expatriates and enterprises in Hong Kong continue to enjoy the rights and freedoms as they always do. This is one of the fundamentals of Hong Kong's success and we will continue to safeguard these values. We are committed to creating a bright future with immense opportunities for businesses and talents, both local and overseas.

Speaking of opportunities, Hong Kong is on track to become a gateway for foreign businesses to tap into the huge market potential of the Guangdong-Hong Kong-Macao Greater Bay Area, the GBA in short. Seeing is believing. A couple of months ago, I joined two visits to the GBA together with consuls-general, lawmakers and representatives from foreign business chambers in Hong Kong. We are all amazed by the rapid development in the GBA cities and the ample opportunities there. If you have the chance, I would encourage you to visit the GBA and experience it first-hand.

Hong Kong does not focus on the Mainland China market only. We are a truly international business hub. We take pride in our connections with the rest of the world and we spare no effort to explore new markets. We recently established an economic and trade office in Dubai as we are setting our eyes on the emerging Middle East market.

Another ETO was also set up in Bangkok right before the pandemic to deepen our ties with the ASEAN (Association of Southeast Asian Nations) countries, which are becoming the world's powerhouse of economic development. We are also actively pursuing early accession to the Regional Comprehensive Economic Partnership Agreement, the RCEP. All of the 15 RCEP economies including Japan are our major trading partners, and their trade in goods accounted for over 70 per cent of Hong Kong's total in 2022.

As an advocate of free and open trade, Hong Kong is definitely well

placed to add value to the RCEP in many unique ways. Hong Kong has already made a request to join the RCEP as we believe our prospective membership in the RCEP will bring more business and investment opportunities to the business communities of RCEP member economies.

According to a survey conducted recently, over 60 per cent of Japanese companies responded that they had plans or interests to expand their RCEP business operations through their Hong Kong offices within the next three years, with the GBA and ASEAN being the most popular destinations.

More importantly, nearly 80 per cent of these Hong Kong-based Japanese traders also anticipated more benefits to come upon Hong Kong's accession to the RCEP. Hong Kong's accession to the RCEP will further deepen the co-operation with our partners, especially Japanese enterprises. Together, we can explore overseas business opportunities.

We will continue to press ahead with our RCEP accession request. I have spoken to my fellow trade ministers of the RCEP economies and received resounding support on our accession. I hope that we would also have your support along the way.

Ladies and gentlemen, Hong Kong has continued to make impressive achievements on multiple fronts. We did not do it by ourselves. We have partners and allies, and you are one of them. I would like to take this opportunity to express my gratitude to all our Japanese friends who have stood with us despite the challenging times. I also thank you for supporting our Tokyo ETO's work all along.

Now that both Hong Kong and Japan have lifted travel restrictions, we have launched a global "Hello Hong Kong" Campaign to welcome everyone back. A number of exciting events will be hosted in Hong Kong, like the Hong Kong Wine & Dine Festival, the Hong Kong Fintech Week and the Global Financial Leaders' Investment Summit. We will also host more than 10 major conferences and exhibitions in the coming months, including the Food Expo and the Hong Kong Watch & Clock Fair.

On this note, I wish to highlight that we are giving away 500 000 free air tickets. Out of the 500 000, over 38 000 tickets are reserved for the Japanese market from June 26. I wish you the best of luck in winning one of the free tickets.

With or without a free flight ticket, please make a trip to Hong Kong, so that you can see for yourselves that Hong Kong is as welcoming and vibrant as ever for both visitors and businesses.

Last but not least, may I wish you all an enjoyable evening. And I look forward to seeing you all again in Hong Kong in the near future. Thank you.