

Speech by FS at Caixin CEO Luncheon (English only) (with photo)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Caixin CEO Luncheon yesterday (January 17, Davos time):

Thank you, Shuli (Founder of Caixin, Ms Hu Shuli), distinguished guests, ladies and gentlemen,

First of all, let me thank Caixin for giving me this welcome opportunity to be here to meet with such a group of distinguished leaders. It is a pleasure to stand before you. And I understand that I am standing between you and your main course. So I will try to keep my comments brief.

The topic chosen by Caixin is "Adapting to an Unfamiliar World". Yes, the world is getting complicated as well as highly complex and fast-changing. The geopolitical tensions between the US (the United States) and China have continued, and they have consequentially impacted on the supply chain, industry chain, and global growth. Also, technology is advancing; the digital economy is bringing tremendous changes to the global landscape in terms of shifting political and economic influence. And not to mention the prospects of green transition. So under all changing landscapes, I think there is one thing which is very certain – what is the best place for putting your investment? That is China, including Hong Kong.

Premier Li Qiang yesterday made a very firm commitment on China's policy of opening up; continuing to increase wealth; and advocating co-operation in the area of technology and industry chain allocation.

For us in Hong Kong, in these changing circumstances, how do we navigate and lead our economy to the next phase? That is a question that we, as the Government, always has on our mind. In the 14th Five-Year Plan of the country, Hong Kong is given "eight centres" positioning for further development – including international centres on shipping, trade, financial, aviation and innovation and technology; and two regional centres – one is related to legal and dispute resolution services, and the other one is intellectual property trading. Finally, Hong Kong being Hong Kong, it is the East-meets-West international centre for cultural exchange. Of these "eight centres", it seems to the Government that in terms of driving our economy forward, the major engines will be financial services and innovation and technology. Financial services is an obvious one because we are an international financial centre. I mentioned about that last year. But in the financial world, it is highly competitive. We need to stay ahead of the competition, always.

Today, with us in this room comes the Chairman of HKEX (Hong Kong Exchanges and Clearing Limited), Laura (Mrs Laura Cha) – no stranger to everyone. We would also like to take this opportunity to introduce the CEO designate of the HKEX. Both are wonderful and very capable persons.

On financial services, we see the need to enhance the liquidity and competitiveness of our stock market. That is why we set up a task force to look at it. They have put forward a number of recommendations covering how to lower transaction costs; changes to the trading mechanism; how to attract more international companies coming to Hong Kong to get listed; how to attract more international as well as Mainland capital to our market, and more. We are working very hard to that end. The results will be seen in the coming months.

Being a financial centre, beyond the equities market, we are also striving hard to develop green and sustainable finance. We are leading in Asia, and we advocate the positioning of Hong Kong as a green technology and financial centre, marrying these fields two together to create a complete green industry chain.

Another area is Renminbi (RMB) internationalisation, and that will help develop Hong Kong into a hub of offshore RMB businesses. We are leading in this area. We have about RMB 1 trillion of deposits, and we are handling about slightly over 70 per cent of global trade settlement conducted in RMB. But there is room – much more room for growth. We believe going forward, there will be more transactions to be conducted in RMB. People holding RMB need to put it to investment to get a reasonable return. If they put it into the Mainland market, now, with the exchange control, the mobility is somehow restricted. We are working to strengthen Hong Kong's role as an RMB business hub, offering more investment and risk management products. Then there will be inflow of money.

Some recent examples – in our stock market, we have allowed 24 major stocks to be traded in both Hong Kong dollar and RMB, we call it the dual-counter. Thus people taking RMB can buy Hong Kong stocks in RMB, and there is no need to convert it into Hong Kong dollar or US dollar. We are working towards including the dual counter in the Southbound Connect. This means people on the Mainland can invest in Hong Kong shares with RMB.

We want to attract companies from new markets, typically Middle East and the ASEAN (Association of Southeast Asian Nations), to come to Hong Kong to get their companies listed. If they list in Hong Kong, and if we are able to include them in the Southbound Connect with the dual counter, they will be able to attract both international and Mainland capital that will provide additional liquidity and support their valuation. That is on the equities market. I can go on, but perhaps I should move to the next topic.

On financial services, it may be worth mentioning our approach to virtual or digital assets. We have set out a policy statement with regard to virtual assets, and we have started to license virtual asset exchanges from June last year. This is financial innovation that we have to embrace, but we are conscious of the associated risks. How to tackle them? That is to put them into a proper regulatory framework, with proper licensing, so that we will be able to enable this sector grow responsibly and sustainably. Meanwhile, we have just launched a consultation paper on stablecoins as a further step forward.

On innovation and technology, my update to you is that we have chosen four areas to focus our energy and resources on, including artificial intelligence and data science; life and health technology; fintech; and finally, new materials and new energy. We cannot wait for our own companies to grow by themselves. We need to jumpstart this development by attracting more companies, particularly those companies of strategic importance, or even those smaller companies which have frontier technologies. We are attracting them to come to Hong Kong. Over the past year, we have successfully formed strategic partnership with some 30 enterprises. They are called "partners" because through settling in Hong Kong – they would also try to bring along their supply chain in the upstream, medium and downstream. So all together these 30 companies will in the few initial years invest over HK\$30 billion and create 10 000 jobs, most of them managerial or research or development positions. They will bring good quality jobs for our people.

But to develop innovation and technology, we also need to have talent. So we launched a talent scheme since December 2022. For example, people who are graduates of the global top 100 universities, they can come to Hong Kong to work anytime. They do not need to secure a job offer first. There are altogether 185 such universities because there are different lists of university rankings. We have so far got over 220 000 applications for the talent scheme and other revised talent schemes. We have approved more than 130 000 of them. And over 90 000 of these people have already come to Hong Kong. They will someday be my taxpayers. That is the progress on attracting strategic enterprises and talent.

One final point, in order to enable us to do this better, we formed the Hong Kong Investment Corporation Limited, putting aside about HK\$60 billion. When we talk to strategic businesses, when we require them to have certain level of commitment with regard to investment and type of technology they will bring to Hong Kong.

So, that is the update from Hong Kong in terms of our economic development in the coming few years. Thank you very much.



CFS urges public not to consume several kinds of imported cereal products suspected to be contaminated with Salmonella

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department today (January 17) urged the public not to consume several kinds of imported cereal products, as the products might have been contaminated with Salmonella, a pathogen. The trade should stop using or selling the products concerned immediately if they possess them.

Product details are as follows:

Product names:

- (1) QUAKER OATMEAL SQUARES HONEY NUT
- (2) QUAKER OATMEAL SQUARES CINNAMON
- (3) QUAKER OATMEAL SQUARES ORIGINAL

Brand: QUAKER

Pack size: 14.5 ounces

Place of origin: United States (US)

Best-before dates: January 11 to October 1, 2024

Importer: PepsiCo Beverages (HK) Ltd

A spokesman for the CFS said, "The CFS, through its Food Incident Surveillance System, noted a notification from the Food and Drug Administration of the US that the above-mentioned products might have been contaminated by Salmonella. Upon learning of the incident, the CFS immediately contacted local importers for follow-up. A preliminary investigation found that the above-mentioned importer had imported into Hong Kong the affected products concerned."

The importer concerned has stopped sales, removed from shelves the affected products and has initiated a recall according to the CFS's instructions. Members of the public may call the hotline of the importer at 2236 5480 during office hours for enquiries about the recall.

"Salmonella infection may cause fever and gastrointestinal upset such as vomiting, abdominal pain and diarrhoea. The effects on infants, young children, the elderly and persons with a weak immune system could be more severe and may even lead to death," the spokesman said.

The spokesman urged consumers not to consume the affected products if they have bought any. The trade should also stop using or selling the products concerned immediately if they possess them.

The CFS will alert the trade to the incident, and will continue to follow up and take appropriate action. The investigation is ongoing.

Briefing on Development Programme for Team Sports 2024-2027 held by Culture, Sports and Tourism Bureau (with photos)

The Culture, Sports and Tourism Bureau (CSTB) today (January 17) held a briefing at the Central Government Offices to introduce the Development Programme for Team Sports 2024-2027 (new round of programme), and to outline its funding scope, funding criteria and programme schedule. Around 60 participants including representatives from national sports associations (NSAs) of team sports, coaches and athletes attended the briefing.

The Commissioner for Sports, Mr Sam Wong, visited the eight team sports supported under the Development Programme for Team Sports 2018-2023 (previous round of programme) in November 2023, and exchanged views with the representatives of relevant NSAs, coaches and athletes on the development of each team sports and the needs of athletes.

With the endorsement of the Sports Commission, the CSTB launched a new round of programme in January 2024, which aims to provide additional funding support to the relative NSAs of eight team sports with a team size of five or above (namely basketball, volleyball, handball, men's water polo, hockey, baseball, softball and women's football). On top of national squads, the programme is extended to members of the second-tier squads. The goal is to improve the teams' performances in the 20th Asian Games Aichi-Nagoya 2026, and increase their chances of attaining elite status. The funding period for the new round of programme is from January 2024 to March 2027, which is expected to benefit about 430 athletes each year with an annual budget of around \$30 million.

The new round of programme has introduced targeted support including the provision of additional resources to develop second-tier squads, dedicated funding for the engagement of high-performance coaches and the strengthening of sports medicine support. The CSTB will review the effectiveness of the development programme after the 20th Asian Games Aichi-Nagoya 2026, including but not limited to the performances of each team sports at the Asian Games, as well as the development progress of second-tier squads. Depending on results of the review, the Government will exclude team sports that do not meet the standards from future funding plans to align with the long-term development direction of team sports. The Government will monitor the implementation of the programme.

The previous round of programme has provided funding support to about 250 athletes each year since its launch in 2018. The CSTB disbursed a total

of over \$85 million subsidies to relevant NSAs and members of the national squads, with an annual expenditure of around \$20 million.



[Auction house convicted of applying and supplying antique coins with false trade description](#)

An auction house was convicted and fined \$40,000 today (January 17) at the Eastern Magistrates' Courts for applying and supplying antique coins to which a false trade description had been applied for the purpose of trade, in contravention of the Trade Descriptions Ordinance (TDO).

Customs earlier received information alleging that 31 antique coins sold at auction by an auction house were suspected to be counterfeit coins.

After investigation and with the assistance of a coin authentication company, Customs confirmed that those coins were not antique coins as declared by the auction house.

Customs welcomes the sentence and reminds traders to comply with the requirements of the TD0. Consumers should also purchase products at reputable shops.

Under the TD0, any person who in the course of any trade or business applies a false trade description to any goods, or supplies or is in possession of any goods for sale with a false trade description commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report any suspected violation of the TD0 to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).

Kwai Chung Hospital announces suspected assault incident

The following is issued on behalf of the Hospital Authority:

Kwai Chung Hospital (KCH) announced a suspected assault incident today (January 17):

KCH received a report that a patient was suspected of being assaulted in a ward yesterday afternoon (January 16). The hospital was highly concerned about the incident and immediately arranged to send the patient involved to the Accident and Emergency Department of Princess Margaret Hospital for examination. The patient is now in stable condition. KCH conducted an investigation immediately and suspected a staff member was involved in the incident. In view of the severity of the incident, the hospital has reported the matter to the Police for investigation, as well as a report to the Hospital Authority (HA) Head Office. The hospital will fully co-operate with the Police in the investigation. The staff member involved in the incident has been suspended from duty with immediate effect.

The hospital has contacted the patient's family to explain the incident and will provide necessary support to the patient and his family. The HA attaches great importance to patient safety and always requires staff to stringently uphold professional conduct. The HA will not tolerate any behaviour that may threaten patient safety. If any inappropriate conduct is found after the investigation, the HA will follow up stringently.