

# Speech by CE at International Forum on "Leading in a Time of Transition" (English only) (with video)

Following is the video speech by the Chief Executive, Mr John Lee, at the International Forum on "Leading in a Time of Transition" today (November 2):

Deputy Director Lu Xinning (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR)), Acting Commissioner Li Yongsheng (Acting Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR), Professor Herman Hu (Chairman of Friday Culture Limited), Deputy Secretary-General Maria Tam (Deputy Secretary-General of Hong Kong Coalition), distinguished guests, ladies and gentlemen,

The theme of the international forum today is "Leading in a Time of Transition". The forum is joined by government officials, scholars, as well as leaders of businesses and other sectors. Together, we will explore business trends across the globe, and the impact of leadership on the rapid development of society.

I fondly remember addressing this very forum last year, on the theme of "Towards a fairer, safer world". I said last year that the world is undergoing profound changes unseen in a century.

Indeed, while we are doing our part to build a fairer and safer society, we are all living in an era of transition. Geopolitical tensions around the world and uncertainties in the global economy, coupled with the threats posed by climate change, food and energy crises, have created challenges to governments, businesses and individuals.

This year marks the 10th anniversary of the Belt and Road Initiative proposed by President Xi Jinping. In his keynote address at the Third Belt and Road Forum for International Cooperation in Beijing last month, President Xi stressed that humankind is a community with a shared future. The President said, and I quote, "we should jointly address various global risks and challenges, and deliver a bright future of peace, development, co-operation and mutual benefit for future generations".

Under the unique "one country, two systems" principle, Hong Kong is the only city in the world that enjoys both the China advantage and the global advantage.

As an open economy that champions free trade and multilateralism, Hong Kong is committed to boosting our resilience in adapting to challenges that come our way.

We have already signed free trade agreements (FTA) with 20 economies around the world. Hong Kong is striving for early accession to the Regional Comprehensive Economic Partnership, or RCEP. RCEP is the world's largest FTA, and we are committed to deepening regional economic co-operation together with RCEP members.

We have also signed investment agreements with 32 economies. The latest addition is Türkiye, with whom we signed a new IPPA (Investment Promotion and Protection Agreement) this week.

We are negotiating an FTA with Peru. Meanwhile, we are also in active negotiations with Bahrain, Bangladesh and Saudi Arabia on investment agreements. These would provide Hong Kong enterprises with better market access, as well as more thorough legal protection. A better framework to navigate and lead in a world of changes.

And to realise that, it is important to bring ourselves back to the Belt and Road. The Silk Road spirit of peace and co-operation, openness and inclusiveness, mutual learning and mutual benefit is the most important source of strength for Belt and Road co-operation.

As an East-meets-West centre for international arts and cultural exchange, Hong Kong has signed MOUs (Memoranda of Understanding) on cultural co-operation with more than 10 Belt and Road countries.

Hong Kong is also bestowed with a wealth of museums and exhibition resources. Located at the burgeoning West Kowloon Cultural District, the Hong Kong Palace Museum, which showcases treasures from the Forbidden City, and M+, which is Asia's first global museum of contemporary visual culture, have become must-see attractions for visitors.

In this free and enterprising Asia's world city, we welcome our friends from around the world to rejoice in our cultural venues, and better understand one another. Expanding our circle of friends from around the world, I believe, will go a long way to helping us lead in this time of transition.

As will building a harmonious and cohesive society. Ladies and gentlemen, the District Council Ordinary Election will take place on December 10. I encourage you all to cast your vote on the day, to elect capable, patriotic representatives who are passionate to serve the local community.

On that note, I wish all of you good health and the best of business. Thank you very much.

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# An exceptionally cloudy and wet October

With more than usual moisture in the lower atmosphere over southern China, October 2023 was much cloudier than usual in Hong Kong. The mean amount of cloud in the month was 79 per cent, 21 per cent above the normal of 58 per cent and the second highest on record for October. The duration of bright sunshine in the month was only 138.9 hours, about 30 per cent lower than the normal figure of 197.8 hours and the fourth lowest on record for October. Mainly attributing to the record-breaking rainfall associated with tropical cyclone Koinu on October 8 and 9, the month was also much wetter than usual. The monthly total rainfall was 546.0 millimetres, more than four times the normal figure of 120.3 millimetres and the fifth highest on record for October. The accumulated rainfall this year up to October was 2770.3 millimetres, about 17 per cent more than the normal figure of 2363.1 millimetres for the same period. Despite the below normal sunshine, the month was warmer than usual. The mean temperature of 26.4 degrees was 0.7 degrees above the normal and one of the fourth highest for October on record. There were three very hot days in the early part of the month, the highest on record for October.

Under the influence of an anticyclone aloft, apart from a few showers and isolated thunderstorms, it was very hot with sunny periods during the day on the first three days of the month. Meanwhile, severe typhoon Koinu over the western North Pacific moved northwestwards towards the Luzon Strait. It turned to move westwards on October 4 and skirted past the southern part of Taiwan on the morning of October 5. Koinu moved slowly across the northern part of the South China Sea and edged towards the Pearl River Estuary in the next two days. Koinu weakened into a typhoon on October 8 and skirted past about 70 kilometres to the south of Hong Kong that night. It continued to move across the coastal waters of Guangdong the next day and weakened progressively into an area of low pressure over the coastal waters of Yangjiang on that night.

Under the influence of the outer subsiding air of Koinu, it was generally fine and very hot during the day in Hong Kong on October 4 and 5. The maximum temperature at the Observatory soared to 34.6 degrees on the afternoon of October 4, the highest of the month and the highest monthly absolute maximum temperature on record for October. Moreover, the daily mean temperature on that day reached 30.8 degrees, the highest on record for October. With Koinu edging closer to the coast of Guangdong, while there were sunny periods during the day, winds over Hong Kong picked up gradually and there were a few showers on the night of October 6. Local wind strength increased further on October 7 with strong winds offshore and occasional gales on high ground. The weather also turned cloudy with a few squally showers on that day.

With Koinu moving towards the vicinity of the Pearl River Estuary, the

weather of Hong Kong deteriorated significantly on October 8 and the Gale or Storm Signal No. 8 was issued on that afternoon. Local winds strengthened significantly and reached storm force offshore and on high ground that night. The Increasing Gale or Storm Signal No. 9 was also issued that night when the compact eyewall of Koinu bearing hurricane-force wind skirted closely the south of Hong Kong. With Koinu weakening and departing from Hong Kong, local winds moderated later on October 9. Koinu brought squally heavy showers to Hong Kong on October 8 and 9, and necessitated the issuance of the Black Rainstorm Warning on the morning of October 9. The rainfall recorded at the Observatory on October 9 reached 369.7 millimetres, more than three times October's monthly total normal figure of 120.3 millimetres and the highest daily rainfall on record for October. Moreover, the 24-hour rainfall from 3pm on October 8 to 3pm next day reached 439.8 millimetres, breaking the highest record for October. Overall, more than 300 millimetres of rainfall were recorded over most parts of the territory and the rainfall even exceeded 600 millimetres in Central and Western, Wan Chai, Wong Tai Sin and Kwun Tong Districts on October 8 and 9.

Under the influence of the outer rainbands associated with the remnant of Koinu, it was cloudy with a few showers on October 10. With the thinning out of the cloud bands, there were sunny periods in Hong Kong from October 11 to 15. It was also dry during the day from October 13 to 15. Affected by a fresh to strong northeast monsoon, there were sunny intervals and a few showers on October 16 and 17. Meanwhile, an area of low pressure over the central part of the South China Sea intensified into a tropical depression on October 17 and was later named as Sanba. It moved northwards slowly towards Beibu Wan and intensified into a tropical storm on October 18. Sanba lingered over the vicinity of Beibu Wan and Hainan Island on October 19 and dissipated gradually over there the next day.

Affected by the rainbands associated with Sanba, the weather of Hong Kong was cloudy with occasional showers on October 18 and 19. More than 20 millimetres of rainfall were recorded over most parts of the territory and the rainfall even exceeded 80 millimetres over Sha Tin and Causeway Bay on these two days. Local weather remained cloudy with a few showers on October 20. Meanwhile, a cold front moved across the coast of Guangdong later on that day. Under the influence of the associated northeast monsoon, the weather of Hong Kong became slightly cooler on the next two days. The temperatures at the Observatory fell to a minimum of 22.0 degrees on October 21 under rain patches, the lowest of the month. The weather became dry with sunny intervals on October 22.

With the prevalence of the anticyclone aloft, apart from a few light rain patches on the morning of October 23, it was mainly fine from October 23 to 27. Affected by a fresh to strong northeast monsoon and a broad band of clouds, local weather turned mainly cloudy with a few showers on October 28 and 29. With the clouds thinning out, it was mainly fine and dry on the last two days of the month.

Three tropical cyclones occurred over the South China Sea and the western North Pacific in October 2023.

Details of issuance and cancellation of various warnings/signals in the month are summarised in Table 1. Monthly meteorological figures and departures from normal for October are tabulated in Table 2.

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## Land Registry releases statistics for October

The Land Registry today (November 2) released its statistics for October 2023.

### Land registration

- \* The number of sale and purchase agreements for all building units received for registration in October was 2,938 (-24.5 per cent compared with September 2023 and -33.9 per cent compared with October 2022)
- \* The 12-month moving average for October was 4,835 (2.5 per cent below the 12-month moving average for September 2023 and 13.0 per cent below that for October 2022)
- \* The total consideration for sale and purchase agreements of building units in October was \$29.0 billion (-2.5 per cent compared with September 2023 and -11.5 per cent compared with October 2022)
- \* Among the sale and purchase agreements, 2,123 were for residential units (-25.8 per cent compared with September 2023 and -32.6 per cent compared with October 2022)
- \* The total consideration for sale and purchase agreements in respect of residential units was \$24.5 billion (+7.5 per cent compared with September 2023 but -9.9 per cent compared with October 2022)

Statistics on sales of residential units do not include sale and purchase agreements relating to sales of units under the Home Ownership Scheme, the Private Sector Participation Scheme, the Tenants Purchase Scheme, etc, unless the premium of the unit concerned has been paid after the sale restriction period.

Figures on sale and purchase agreements received for the past 12 months, the year-on-year rate of change and breakdown figures on residential sales have also been released.

As deeds may not be lodged with the Land Registry until up to 30 days after the transaction, these statistics generally relate to land transactions

in the previous month.

Land search

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\* The number of searches of land registers made by the public in October was 365,510 (+10.1 per cent compared with September 2023 but -13.7 per cent compared with October 2022)

The statistics cover searches made at the counter, through the self-service terminals and via the Integrated Registration Information System Online Services.

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## [Hong Kong FinTech Week 2023 \(with photos\)](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) today (November 2) co-organised Hong Kong FinTech Week 2023 with the InvestHK. The eighth edition of the city's flagship fintech event gave participants worldwide opportunities to build partnerships, exchange ideas and share their fintech journeys.

During the FinTech Week, the HKMA announced the following initiatives to strengthen Hong Kong's fintech capabilities:

**FPS x PromptPay QR Payment:** The HKMA is working closely with the Bank of Thailand to link Hong Kong's Faster Payment System (FPS) and Thailand's PromptPay, in a new service called "FPS x PromptPay QR Payment", scheduled for launch on December 4. Users will be able to scan and pay at over eight million PromptPay merchants in Thailand using their mobile phones. Thai visitors to Hong Kong will also be able to use PromptPay to pay at any of the around 50 000 FPS merchants in Hong Kong who choose to accept FPS QR payments. The new service will provide an additional safe and efficient payment channel, enhancing customer experience in retail payment and fostering economic development and entrepreneurial prospects in the two economies.

**Tokenisation in the bond market:** After the successful issuance of the world's first tokenised government green bond earlier this year, the HKMA is in discussions with market participants to explore further use cases for distributed ledger technology (DLT) in capital markets, including a second tokenised government green bond. A report on the inaugural tokenised issuance was published in August as a blueprint for future similar issuances in Hong Kong.

e-HKD Pilot Programme: Working with the industry, the HKMA has completed Phase 1 of the e-HKD Pilot Programme and published an overall assessment of the pilots and the way forward earlier this week. Phase 2 of the programme, which the HKMA intends to commence next year, will explore new use cases for an e-HKD and delve deeper into select pilots from Phase 1.

The "Fintech 2025" strategy (Note 1) unveiled in June 2021 has also made the following positive progress in driving Hong Kong's fintech development:

All banks go fintech: Building on the results of the Tech Baseline Assessment announced last year, the HKMA continues to proactively encourage fintech adoption in the banking industry, and published a new Fintech Promotion Roadmap in August 2023. The roadmap sets out the initiatives the HKMA will undertake over the next 12 months to promote the adoption of wealthtech, insurtech, greentech, artificial intelligence and DLT. To further promote the development of Open API, the HKMA launched centralised datasets on physical branches and Automated Teller Machines of 20 retail banks in Hong Kong via Open API in September 2023 for public use. In addition, the HKMA has been actively exploring the use of Suptech to enhance the effectiveness and forward-looking capability of its supervisory processes through the adoption of new technologies. An end-to-end digital supervisory platform and a Robotic Process Automation solution have been launched. Three initiatives under the AML Suptech strategy; Macro Analytics, a submission platform for financial-crime risk data, and a horizon scanning tool, have been implemented to safeguard the integrity of the banking system and reduce harm from financial crime. A speech-to-text solution for use in supervision and enforcement work was also launched in October 2023.

Future-proofing Hong Kong for Central Bank Digital Currencies (CBDCs): Aside from the progress on the retail front, the HKMA has achieved a number of milestones in the phased development of wholesale CBDCs (Note 2). Project mBridge is now at the Minimum Viable Product (MVP) development phase and the HKMA aims to launch the MVP next year to pave the way for a production-ready system.

Creating the next-generation data infrastructure: Commercial Data Interchange (CDI), the HKMA's next-generation financial data infrastructure promoting the development of a data-driven economy, is making great strides. Since launch in October 2022, the number of CDI participating banks has reached 26, and key data providers have doubled from six to 12. The CDI utilisation rate has also increased nearly ninefold to 8 900 data requests from close to 1 000 during the pilot phase, with estimated credit approvals exceeding HK\$8 billion at the end of September 2023. To maximise the benefits of CDI, the HKMA is exploring how it can be used to further digitalise and streamline various banking processes such as Know Your Customer and working closely with the Insurance Authority to enable cross-sectoral data sharing. By the end of 2023, the Companies Registry will become the first government data source to be connected to CDI via the Government's Consented Data Exchange Gateway.

Expanding the fintech-savvy workforce: The HKMA works to foster fintech

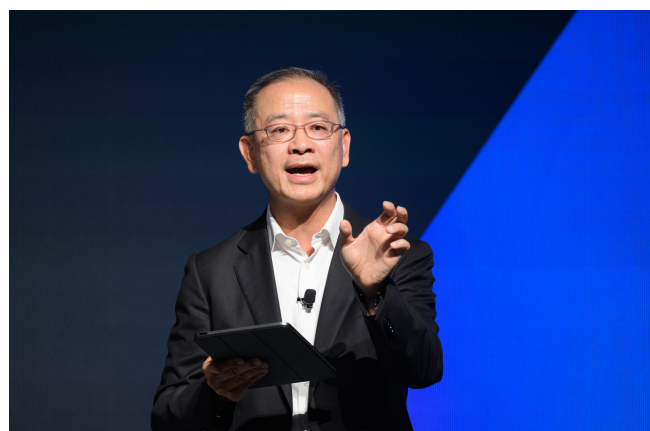
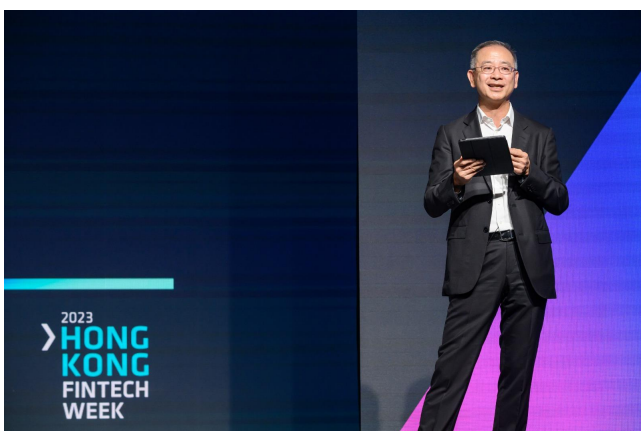
talent in Hong Kong through initiatives including the Fintech Career Accelerator Scheme and the Industry Project Masters Network. Over 1 300 students have benefitted from these schemes so far.

Nurturing the ecosystem with funding and policies: The Fintech Supervisory Sandbox (FSS) 3.0 and FSS 3.1 Pilot offer funding support to fintech projects. So far, six projects providing solutions for Chinese-character name screening for AML, regtech and risk management have been approved. To facilitate the sustainable and responsible development of the virtual asset (VA) sector in Hong Kong, the HKMA has been moving forward with full steam in formulating the regulatory regime for stablecoin issuers, and will release a public consultation paper inviting feedback on the proposed regulatory approach and parameters. In addition, the HKMA and the Securities and Futures Commission have jointly issued updated guidance on intermediaries' VA-related activities, and the HKMA is consulting the industry on guidance on other digital asset-related activities conducted by banks with a view to providing protection for consumers.

The Chief Executive of the HKMA, Mr Eddie Yue, said, "This year's edition of the Hong Kong FinTech Week marks 30 years since the establishment of the HKMA. It comes at a time of rapid innovation, with new ideas and opportunities redefining the fintech world. It is essential for our financial services sector to adapt to these changes so that we can continue to be at the forefront of development and achieve the vision set out in the 'Fintech 2025' strategy."

Note 1: The strategy aims to encourage the financial sector to adopt technology comprehensively by 2025, as well as to promote the provision of fair and efficient financial services for the benefit of Hong Kong citizens and the economy.

Note 2: A brochure highlighting the key achievements and future roadmap of Project mBridge was published in October 2023:  
[www.hkma.gov.hk/media/eng/doc/key-functions/financial-infrastructure/mBridge\\_publication.pdf](http://www.hkma.gov.hk/media/eng/doc/key-functions/financial-infrastructure/mBridge_publication.pdf)







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## Government announces major initiatives to foster co-development of fintech and real economy (with photo)

The Financial Services and the Treasury Bureau (FSTB) today (November 2) announced a series of major initiatives for fintech development in Hong Kong in the Hong Kong FinTech Week 2023. These initiatives aim at fostering co-development of fintech and the real economy, including launching a new Integrated Fund Platform (IFP); welcoming cross-boundary e-CNY applications to benefit inbound and outbound visitors between the Mainland and Hong Kong; and promoting real economy related applications and innovations by the Virtual Assets (VA) and Web3.0 sector, as well as further development of the regulatory framework.

The Financial Secretary, Mr Paul Chan, said, "The Government has been committed to promoting fintech development in Hong Kong, with a view to enhancing the competitiveness of Hong Kong's financial services industry and the real economy, empowering financial institutions to accelerate digitalisation and product innovation, better serving the real economy, and providing members of the public with more convenient, less expensive, and inclusive financial services. The various relevant policy measures promoted in recent years clearly demonstrate our firm support for the rapid and robust development of the fintech sector."

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "To tie in with the theme 'Fintech Redefined.' of Hong Kong FinTech Week 2023, the FSTB further announced the comprehensive fintech initiatives this year to reflect our strategic views and visions for taking the market forward. From launching a new IFP to welcoming e-CNY applications, and promoting real economy related applications and innovations by the VA and Web3.0 sector, these initiatives will contribute to the real economy and provide further impetus for growing our fintech ecosystem."

## Launching a new IFP

The new IFP to be developed and operated by the Hong Kong Exchanges and Clearing Limited (HKEX), is a new financial infrastructure for the Hong Kong market. The new IFP targets the retail fund sector, covering the front-to-back distribution life cycle and value chain, and is proposed to better serve investors, fund managers, distributors and other stakeholders within the ecosystem. The integrated platform will serve the roles of a communication hub; a business platform; and an information portal for further strengthening Hong Kong's position as an international asset and wealth management centre.

Welcoming cross-boundary e-CNY applications to benefit inbound and outbound visitors between the Mainland and Hong Kong

FSTB is pleased to note that Octopus Cards Limited (OCL) and Bank of China (Hong Kong) (BOCHK) will seek to explore new e-CNY applications. Earlier this year, OCL has partnered with Bank of China Shenzhen Branch to facilitate the purchase of e-CNY hard wallets by Hong Kong residents, via Self-service Card Issuing Machines in Lo Wu, Shenzhen using the Octopus mobile application. Also, BOCHK has launched e-CNY services facilitating payment by inbound Mainland visitors to retail merchants with e-CNY wallets in Hong Kong, and offering Hong Kong customers with a convenient option to top up e-CNY wallets from their Hong Kong personal bank accounts.

As a next step, subject to regulatory approval and technical readiness, the FSTB welcomes OCL to provide an inbound solution facilitating Mainland tourists' use of e-CNY in Hong Kong through topping up Octopus Cards in tourist mobile application.

Promoting real economy related applications and innovations by the VA and Web3.0 sector, and further development of the regulatory framework

The Government encourages market participants to explore the potential of the underlying technologies of Web3.0 to empower and enable real economy related applications and innovations. In this regard, a dedicated session will be arranged in this year's FinTech Week for market participants to share their products and project ideas.

On the regulatory side, with regard to tokenisation, to enhance clarity for the market, the Securities and Futures Commission (SFC) will issue a circular on intermediaries engaging in tokenised securities-related activities and a circular on tokenisation of SFC-authorized investment products to shed light on the regulatory expectations from an investor protection perspective. The Government also intends to expand the regulatory remit to cover the buying and selling of VAs beyond trades taking place on VA trading platforms. As for the regulatory regime for stablecoin issuers, the FSTB and the Hong Kong Monetary Authority (HKMA) will issue a joint consultation on the legislative proposal for implementing the regime in due course. On banks' provision of digital asset custodial services, the industry is being consulted on HKMA's guidance to ensure client assets are adequately safeguarded and that the risks involved are properly managed.

The presentation delivered by Mr Hui in the Main Conference of FinTech Week can be found in annex.

