

Transcript of remarks by CE at media session before ExCo

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session before the Executive Council meeting today (May 25):

Reporter: Can you share with us how the Guangdong authority has responded to the recent pandemic control in Hong Kong during, maybe, your latest interaction on the issue, including the low number of local cases and the latest vaccination rate? Do they also acknowledge they are the directions for Hong Kong to achieve quarantine-free travel with the Mainland? The second question is what's your response to a report based on American chamber's survey that Hong Kong's allure to the international business companies is fading because the city's political environment and COVID-19 restrictions? What kind of policies is the Government offering to attract and retain global professionals in the upcoming new environment created by the National Security Law and electoral reform? Thank you.

Chief Executive: As far as our joint efforts in combatting COVID-19 with Guangdong, I would say that we are working very closely. As you may realise, on May 14, despite the restrictions on travel, I and Guangdong Governor Ma Xingrui held a virtual high-level meeting to discuss a range of subjects including the COVID-19 control. We have also put in place special arrangements to facilitate cross-boundary cargo truck drivers since the first day of COVID-19 so as to ensure that the flow of goods and daily necessities to Hong Kong will not be disrupted. I would say that we are working very closely, we have very frequent communications on how we could do better. I would also say that Guangdong, like ourselves, is also very keen to be able to resume some normal travel as soon as possible because there are so many Hong Kong businesses in Guangdong Province and many of them have not been to their factories or their businesses for a very long time, let alone we also have a very large number of Hong Kong students living in Shenzhen who have to come to Hong Kong to school. We will continue to work with Guangdong on various aspects as far as the epidemic control is concerned.

The second question about surveys, or business surveys carried out by individual chambers in Hong Kong, of course we look at the survey results. They may provide some reference for us, but at the end of the day, one has to look at what is actually happening on the ground. What is actually happening on the ground is, according to our latest survey, we have 9 000 Mainland and overseas companies based in Hong Kong, including many of them which are using Hong Kong as regional headquarters and regional offices. We have not seen any significant outflow of capital. The securities markets are doing very well, the banking sector is very stable and generally, life goes on. I have been meeting with business chambers, both based in Hong Kong and also overseas through webinars in the past two months and generally, the initial concern and anxiety about the national security legislation has subsided, and the

first and foremost topic raised by my business counterparts was the Greater Bay Area – how could we go into the Greater Bay Area? How could we make use of the support measures for Hong Kong under the 14th Five-Year Plan in order to grow our business? What more favourable policies would there be from the Central Government in order to facilitate the free flow of goods, capital, people, data between Hong Kong and the Greater Bay Area Mainland cities? These are the general sentiments that we have received from the business community at large. I would not put too much emphasis on a particular survey, especially it may be a survey just about the sentiments of individuals rather than looking into the business investment behaviour of companies based in Hong Kong, or companies which still aspire to come to Hong Kong.

And if you will allow me to say, you'd notice last week we had a very important international arts fair in Hong Kong, Art Basel 2021. It has attracted a lot of attention, again locally and overseas, and I read from a newspaper, by the way it's a Western media newspaper, that the sales at this arts fair were very strong. This is also a very clear indication of the strength of Hong Kong, not only on the international financial side but also on the arts and cultural front, which is why in the 14th Five-Year Plan, the Central Authorities have given us this mandate to develop Hong Kong into a hub for cultural exchanges.

Thank you.

(Please also refer to the Chinese portion of the transcript.)