

Speech by CS at Monthly Luncheon of Century 21 Club (English only)

Following is the speech by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at the Monthly Luncheon of Century 21 Club today (November 22):

Mr Hirota (Deputy Consul-General of Japan in Hong Kong, Mr Tsukasa Hirota), Mr Washikita (Co-Chair of Century 21 Club and Chairman and Managing Director of Mitsui & Co (Hong Kong) Ltd, Mr Kenichiro Washikita), Mr Nakajima (Co-Chair of Century 21 Club and Executive Director and Chief Executive Officer of Nippon Wealth Limited, Mr Tsutomu Nakajima), distinguished guests, ladies and gentlemen,

Good afternoon. It is my great pleasure to join you all for today's luncheon.

We are here to celebrate the friendship between Japan and Hong Kong, friendship that has been established over many years. We also look forward to welcoming your new Consul-General to Hong Kong later this month. I have no doubt that the Consul-General will ensure that our bilateral ties continue to grow from strength to strength.

Japan and Hong Kong have long been committed to working together for a win-win result. This commitment was clear to see earlier this month when we staged the first Hong Kong Week in Tokyo from October 29 to November 11.

Led by the Chief Executive, Mrs Carrie Lam, Hong Kong Week was a large-scale and wide-ranging promotion under the theme of "Connect and Excel", showcasing how people in Japan can make use of Hong Kong's advantages to connect with new opportunities and excel in their chosen fields, whether it be business and finance, science and technology or arts and culture.

Above all, Hong Kong Week was a timely opportunity to reinforce the strong bond between our two communities. I say "timely" because we currently stand at a crossroad, with challenges and opportunities coming from different directions.

On the one hand, we are racing to adapt to advances in technology that are shaping the way that people live, work and do business. On the other hand, significant challenges can be seen in the form of the rise of protectionism in different parts of the world.

The trade conflict between Mainland China and the United States, the world's two largest economies, is adding to uncertainty and market instability. In Hong Kong, we remain a staunch supporter of the multilateral trade system and believe that protectionist sentiment and policies will only hinder progress and benefit no one. We will continue to be an advocate of

open markets and free flows of capital, talent and information. We believe that this approach is the best way to achieve progress and create opportunities.

For more than two decades, Hong Kong has been ranked number one globally for economic freedom by both the Fraser Institute in Canada and the US-based Heritage Foundation. We are also named the second most competitive economy in the world by Swiss-based International Institute for Management Development this year. Hong Kong ranked fifth for ease of doing business out of nearly 200 economies in the World Bank's "Doing Business 2018" report. These achievements are due in no small part to the enduring success of the "one country, two systems" principle for the establishment of the Hong Kong Special Administrative Region in 1997.

Today, 21 years on, Hong Kong continues to thrive as part of "one country" and at the same time "two systems" preserves our unique advantages, distinctive features and core values. These include our cosmopolitan flavour, our openness and connectivity on all fronts, our inherent institutional strengths, our rule of law, our status as a global financial centre (being ranked third behind New York and London), a free port, a separate customs territory and an international trade and logistics hub. We are, and will remain, for a long time the financial capital and most open and international city of our country. In essence, Hong Kong enjoys the best of both worlds.

That overseas enterprises including those from Japan enjoy the taste of Hong Kong's business environment is evident through the growing number of Japanese firms operating in this city. According to the latest statistics announced last month, 1 393 Japanese companies have regional headquarters, regional offices or local offices in Hong Kong. That is the highest number of any foreign country, and second only behind the Mainland as a source market for enterprises with parent companies outside Hong Kong.

We cherish the close relations between Hong Kong and Japan and we are grateful to the Japanese business community for investing their time, money and ideas in our city. It is also encouraging to see the next generation of Japanese entrepreneurs embracing new opportunities in Hong Kong too.

No doubt, Hong Kong is an attractive place for global business, but we cannot afford to rest on our laurels, especially in a highly competitive region such as ours. Instead, we are doubling down on efforts to make our city an even more competitive place to do business.

As you may know, this year marks the 40th anniversary of our motherland's opening up and reform policies. Undoubtedly, Hong Kong has benefited from its prime location and business-friendly policies to grasp opportunities from China's opening up to the world.

At the same time, our city has contributed enormously to the country's transformation into the world's second largest economy. Earlier this month (November 12), President Xi Jinping spoke about the "unique" and "irreplaceable" role that the Special Administrative Regions of Hong Kong and

Macao have played in the country's opening up and reform over the past 40 years. He also urged us to grasp opportunities ahead.

In seeking out opportunities, Hong Kong will actively participate in our country's major development strategies on different levels – national, regional and international. One such strategy is the Guangdong-Hong Kong-Macao Greater Bay Area. Covering Hong Kong, Macao and nine Guangdong cities with a combined population of nearly 70 million people, the Greater Bay Area generates GDP of over US\$1.5 trillion, which is close to that of the Tokyo Bay Area. It is estimated that GDP for the Greater Bay Area will increase to US\$4.6 trillion by 2030.

Doors to the Greater Bay Area are opening wider with the recent commissioning of two mega infrastructure projects, namely the Hong Kong-Zhuhai-Macao Bridge across the Pearl River estuary, and the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link that connects our city to Mainland China's extensive 25 000-kilometer high-speed rail network.

Achieving the full potential of the Greater Bay Area will require more than infrastructure connectivity. Moving forward, we expect to see rising demand for professional services such as financial, legal, trade and logistics and tourism services. And we can anticipate greater demand for technology-related services and value adding solutions for industries in the region.

Japan is known for its advanced technology and research capabilities and Hong Kong is an ideal partner for exploring tech-related opportunities in the Greater Bay Area. We plan to establish two world-class research clusters at the Hong Kong Science Park, one on healthcare technologies and the other on artificial intelligence and robotics. Through these clusters, we aim to nurture synergy and collaboration between top local and overseas researchers and put Hong Kong on the global innovation map.

Meanwhile, Cyberport supports high-tech start-ups and promotes the development of a digital technology ecosystem. It also aims to attract multinational companies and leading Internet enterprises to set up offices and research and development units in Hong Kong.

In order to draw global expertise to our city, we launched the Technology Talent Admission Scheme in June to fast-track admission of overseas technology talent in areas such as biotechnology, artificial intelligence, cyber security and robotics. We have also launched a Talent List, which identifies specific sectors where overseas expertise is needed in Hong Kong.

To meet the needs of the new tech-driven global economy, the Stock Exchange of Hong Kong has introduced new rules to allow companies with weighted voting rights structure and pre-profit/pre-revenue biotech companies to list in Hong Kong.

The Hong Kong Monetary Authority (HKMA) is taking the lead in developing

fintech through its Infrastructure Financial Facilitation Office set up in 2016. In September, the HKMA launched its Faster Payment System which puts banks and stored value facilities on the same platform, opening up a whole new era for smart banking.

We believe that fintech and smart city development will have a big part to play in the Greater Bay Area. That said, Hong Kong opportunities are not confined to national boundaries. Far from it!

As a truly global city with financial and legal systems that are aligned with international standards, Hong Kong continues to serve as the premier gateway between the Mainland and the rest of the world.

In this context, we are fully engaged in the far-reaching Belt and Road Initiative, which provides a model for global growth in the 21st century. The Initiative spans Asia, Europe and Africa, covering a region that accounts for about 30 per cent of the world's GDP and more than 60 per cent of the world's population. Hong Kong can leverage on its expertise in infrastructure financing and other professional services, and participate in future development projects under the Initiative.

No doubt a trans-regional initiative of this scale will generate huge demand for infrastructure, capital, goods and services, and drive global growth in the next few decades. Given our close bilateral ties, Hong Kong presents an ideal stepping stone for Japanese investors, innovators and services providers to access Belt and Road opportunities.

Last year, Japan was our fourth-largest trading partner globally with bilateral merchandise trade of US\$49 billion, up 5.1 per cent compared to 2016 (US\$46.8 billion). In 2017, Japan was Hong Kong's fourth largest trading partner and 11th largest market for domestic exports. Reciprocally, Hong Kong was Japan's eighth largest trading partner globally.

Famously, our relatively small city – with a population size smaller than that of Tokyo – has been for more than a decade the largest destination for Japanese exports of agricultural, forestry and fishery products. Last year, Japan exported 187.7 billion yen (about US\$1.78 billion) worth of these products to Hong Kong (up 1.3 per cent from the previous year), accounting for nearly a quarter of the country's total exports in this category.

On the tourism front, Hong Kong was Japan's fourth largest source market, with around 2.23 million Hong Kong residents visiting the country in 2017, representing a surge of 21.3 per cent growth over 2016. Indeed, Japan is one of the most frequent travel countries for Hong Kong residents.

But business, including Japanese food export business, is not the only reason for the large number of Japanese expatriates living and working in Hong Kong, a community that numbers more than 25 000 people.

It is also about the lifestyle. We are proud of Hong Kong's reputation as one of the world's safest large cities; proud of our world-class education

system including more than 50 international schools and universities that are rated among the best in the world. We also treasure the natural environment, a precious resource that enables people to relax, connect with nature and enjoy the great outdoors.

More and more, these lifestyle attributes resonate with the new generation of entrepreneurs, whether they come from Japan or other parts of the world.

On this note, I would like to extend my warmest gratitude to Century 21 Club and its members for their huge contributions to forging strong ties between Hong Kong and Japan over the years. I look forward to closer collaboration between Japan and Hong Kong as we strive to unleash the abundant opportunities through closer links with the Mainland, developing the Greater Bay Area and exploring new possibilities along the Belt and Road. Thank you very much.

[Government launches third batch of Silver Bond](#)

The Government announced today (November 22) the launch of the third batch of Silver Bond for subscription by Hong Kong residents aged 65 or above.

The target issuance size of the third batch of Silver Bond is HK\$3 billion. It will have a tenor of three years. Bond holders will be paid interest once every six months at a rate linked to inflation in Hong Kong, subject to a minimum rate of 3 per cent. Only applications from Hong Kong residents aged 65 or above holding a Hong Kong identity card will be accepted, and there will be no secondary market for Silver Bonds. Bond holders may sell their bonds before maturity to the Government at par together with accrued but unpaid interest.

The subscription period for the Silver Bond will start from 9am on November 28 and end at 2pm on December 6. The Bond will be issued on December 17. Hong Kong residents aged 65 or above (i.e. those born in 1953 or before) may apply for the Bond through one of the 20 placing banks or 15 designated securities brokers.

The Financial Secretary announced in the 2018-19 Budget that the Government will issue Silver Bond in 2018 and 2019 to further develop the local bond market.

"The issuance of Silver Bond is intended to provide an investment product with steady returns for senior citizens and encourage financial institutions to tap into the immense potential of this 'silver market' by

introducing a wider spectrum of appropriate products," a government spokesperson said.

Details of the offering terms and subscription arrangements are available at the website (www.hkgb.gov.hk) of the Government Bond Programme.

SHA visits Central and Western District

The Secretary for Home Affairs, Mr Lau Kong-wah, visited Central and Western District this morning (November 22), where he learnt about a children's picture book reading activity and an intangible cultural heritage workshop. He also attended an event under a sports promotion scheme, watched a lion dance performance by students and exchanged views with Central and Western District Council (C&WDC) members.

Accompanied by the Chairman of the C&WDC, Mr Yip Wing-shing; the Vice Chairman of the C&WDC, Mr Chan Hok-fung; and the District Officer (Central and Western), Mrs Susanne Wong, Mr Lau first went to Kennedy Town Community Complex to participate in a children's picture book reading activity. Through reading of picture books and games, the activity aims to promote reading as well as encourage children to get involved in the community and understand the intangible cultural heritage of the district. Mr Lau also visited an intangible cultural heritage workshop at the same location and accompanied the children to learn a paper crafting technique from a craftsman together.

Mr Lau then proceeded to Kennedy Town Swimming Pool Sitting-out Area to learn about the Community Parent-child Sports Promotion Scheme, which is a pilot scheme jointly started by the Central and Western District Recreation and Sports Association and other sports organisations. He observed students joining various sports promotion activities to understand more about different sporting potentials of students. Mr Lau also watched a lion dance performance by a team of ethnic minority students of Chiu Sheung School, Hong Kong. He commended the ethnic minority students for their talent and their enthusiasm in learning about traditional Chinese culture.

Mr Lau said he was happy to know that the two above-mentioned programmes were innovatively introduced by the Central and Western District Office and the Leisure and Cultural Services Department to flexibly make use of the district's community facilities and release more space for local organisations in the district for use as a platform for organising activities for stakeholders, such as schools, youths and non-government organisations. In addition, he said he appreciated that local organisations regularly hold activities for residents, especially on activities that have district characteristics and support children to get involved with the local

community.

Mr Lau also toured Kennedy Town Swimming Pool to inspect its facilities. Before concluding his visit, he met with C&WDC members to exchange views on matters of concern.

Innovation and Technology Fund for Application in Elderly and Rehabilitation Care to open for application next month

The \$1 billion Innovation and Technology Fund for Application in Elderly and Rehabilitation Care (I&T Fund) will be open for application from December 3.

Officiating at the opening ceremony of the Gerontech and Innovation Expo cum Summit 2018 today (November 22), the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, announced that the I&T Fund will be launched on December 3. He said, "The I&T Fund will subsidise elderly and rehabilitation service units to procure, rent or try out technology products, so as to improve the quality of life of service users and reduce the pressure and burden on care staff and carers."

The I&T Fund, an initiative announced in the Chief Executive's 2017 Policy Address, is established and managed by the Social Welfare Department (SWD). The SWD, in consultation with various stakeholders, will draw up a reference list of Recognised Technology Application Products. Applicants may apply for procurement or rental of the items on the reference list, which include devices, equipment and tools that can help enhance the effectiveness and quality of care, as well as mobile applications, hardware and software systems that can effectively and accurately record the activities, health and medical conditions and more of elderly persons and persons with disabilities. Applicants may identify suitable technology research and development companies as working partners to try their newly developed technology products designed specifically for the nursing and rehabilitation needs of elderly persons or persons with disabilities. The cost of staff training on how to use the relevant technology products and the cost of warranty and maintenance of the products will also be covered by the I&T Fund.

The I&T Fund will be open for application (first tranche) from December 3 and the deadline for submission of applications is February 28, 2019. An Assessment Panel comprising professionals from academia, the information technology sector and other relevant sectors as well as representatives from

related government bureaux/departments will be formed to vet funding applications.

All non-governmental organisations and private organisations currently receiving subsidies from the SWD and providing subsidised residential care services for the elderly or persons with disabilities, community care and support services for the elderly or day rehabilitation and community support services may make applications. It is estimated that over 1 260 service units could benefit. The SWD will issue letters to eligible service operators to invite their applications. Eligible service operators are also invited to a briefing session to be held on November 28 to learn more about the application procedures and selection criteria of the I&T Fund.

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A dedicated webpage covering details of the I&T Fund will be set up soon.

Gerontech and Innovation Expo cum Summit 2018 opens (with photos)

The Chief Secretary for Administration, Mr Matthew Cheung Kin-chung; the Chairperson of the Hong Kong Council of Social Service, Mr Bernard Chan; and the Chief Executive Officer of the Hong Kong Science and Technology Parks Corporation, Mr Albert Wong, officiated at the Opening Ceremony of the Gerontech and Innovation Expo cum Summit (GIES) 2018 today (November 22) together with representatives from its major sponsors.

Technology is integral to our daily lives, no matter in social welfare, healthcare or other areas, and the application of gerontechnology is increasingly seen as a key strategy to help fulfil the needs of an ageing population. The Hong Kong Special Administrative Region (HKSAR) Government hopes to raise public awareness on the application of gerontechnology. Showcasing local and overseas innovative technology products and concepts, the GIES provides a collaborative platform for stakeholders to enhance quality of life for the elderly through the application of innovative technology.

Addressing the ceremony, Mr Cheung said that the HKSAR Government attaches great importance to the well-being of its elderly citizens. The Government's recurrent spending on the elderly, including social welfare payments, medical services and other support, amounts to 20 per cent (or \$86 billion) of total government expenditure. With a view to providing quality and cost-effective long-term care services for the elderly, the Government is delivering a series of elderly initiatives following the policy objective of promoting "ageing in place as the core, institutional care as back-up". The

Government anticipates that through the application of innovative technology to support the elderly to live independently and securely at home and to strengthen their social connections, the quality of life of the elderly can be enhanced, while at the same time the burden and pressure on care staff and carers can be relieved. To achieve this, the Government has been promoting research and development of technologies in the elderly service sector through a number of funding programmes under the Innovation and Technology Fund.

Mr Cheung took the opportunity to formally announce at the opening ceremony that the \$1 billion Innovation and Technology Fund for Application in Elderly and Rehabilitation Care would be open for applications from December 3. All non-governmental and private organisations currently receiving subsidies from the Social Welfare Department and providing subsidised residential care services for the elderly or persons with disabilities, community care and support services for the elderly, or day rehabilitation and community support services, will be eligible to apply for the Fund to procure or rent technology products, or try out newly developed technology products. It is estimated that over 1 260 service units could benefit.

After the opening ceremony, the Secretary for Labour and Welfare, Dr Law Chi-kwong; and the Founder and Partner of Copenhagen Living Lab in Denmark, Mr Thomas Hammer-Jakobsen, delivered keynote speeches to review policies supporting the application of innovation and technology in local elderly and rehabilitation care, and to outline the roles of different stakeholders in the emergence of gerontechnology, respectively.

The GIES 2018 is open to the public free of charge. Those who are interested may visit the event's website (gies.hk/en) for more information.



