

Speech by CE at GREAT Festival of Innovation reception (English only) (with photos/video)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the GREAT Festival of Innovation reception today (March 21):

The Right Honourable Liam Fox (Secretary of State for International Trade of the United Kingdom), Andrew (British Consul General to Hong Kong and Macao, Mr Andrew Heyn), distinguished guests, ladies and gentlemen,

Good evening. I understand that many of you have already sampled a rich day at the GREAT Festival of Innovation in this wonderful venue – a great transformation of the Former Explosives Magazine Compound. I am delighted to join you at this reception to express my sincere thanks to Liam for bringing this remarkably ambitious and decidedly innovative happening to Hong Kong, and to share with you my Government's commitment to innovation and how this has provided ample opportunities for greater collaboration between Hong Kong and the United Kingdom (UK).

The GREAT Festival of Innovation is the third of its kind after the success of the GREAT Festivals of Creativity in Istanbul in 2014 and Shanghai in 2015. Taking place over four days from today, the Festival showcases the latest in innovative and creative excellence from the UK and Asia, with the aim of fostering new and deeper partnerships between governments and businesses in the UK, Asia, Hong Kong and Mainland China. I am extremely pleased that the UK Government has chosen Hong Kong as the place for building closer ties between the UK and Asia. After all, we are Asia's world city, the best gateway to Mainland China, and more recently, through a Free Trade Agreement between Hong Kong and ASEAN signed last November, thus positioning ourselves for enhanced links with the Southeast Asian countries. Indeed, my colleague Edward Yau, the Secretary for Commerce and Economic Development, has sent his apology as he is right now leading a business delegation to Cambodia and Vietnam to promote trade and investment links.

Hong Kong and the UK have long enjoyed multifaceted relations. Ours is a singular bond, one I am determined to sustain and build on. It was therefore no accident that my first overseas trip out of Asia as Chief Executive was to London, and this took place in my third month in office. During my visit, Liam and I talked about boosting trade ties in a post-Brexit Britain. Indeed, our two economies that month initiated a Strategic Dialogue on Trade Partnership, jointly examining sectors and industries ripe for boosting our ties and bilateral trade. Our dialogue continued when we met on the margins of the World Economic Forum in Davos in January this year.

In the meantime, let me congratulate the Secretary of State for his staunch support and advocacy of free trade, especially amidst the growing threat of protectionism, as demonstrated in his extensive travels and

engagement of trade partners and the work of the Department for International Trade which he leads. Tasked to deliver a new trade policy for the UK, I am sure the Department for International Trade will embrace innovation, partnership and inclusiveness in its endeavours. These qualities are aptly embedded in the central statement of this GREAT Festival of Innovation, and I quote, "Now, more than ever, we must look to the future and work with partners who share our creative spirit. Collaboration will unlock new ideas, technologies, markets and opportunities."

Unlocking new ideas and applying technologies is one of the main themes in my inaugural Policy Address delivered in October last year. I spoke at some length about the promise of innovation and technology for Hong Kong, its potential in helping to diversify our economy, improve livelihood and create quality jobs for young people, as well as committed to a clear strategy for innovation and technology development in Hong Kong. Three weeks ago, our Financial Secretary delivered his annual Budget Speech and allocated more than HK\$50 billion – that is about 4.5 billion pounds – to accelerate innovation and technology development in Hong Kong.

Among the measures is the establishment of two research clusters on healthcare technologies and artificial intelligence and robotics technologies, to attract the world's top scientific research institutions and technology enterprises to Hong Kong for conducting more midstream and downstream research and development projects in collaboration with local universities and scientific research institutions. A bill to introduce tax incentives for corporations to increase spending on research and development will shortly be introduced. The many top institutions and enterprises in the UK, some of which I interacted with during my last visit to London, are clearly our targets.

We are also in the midst of remaking Hong Kong into one of the world's smart cities, transforming the way we live and work. In December last year, we unveiled the Hong Kong Smart City Blueprint. It sets out our vision for building a smart Hong Kong powered by a thriving economy and a high quality of living. A good deal of that is already well established. Our telecommunications network, for example, is world class, with fixed and mobile broadband speeds and penetration rates among the highest anywhere.

At the same time, there is a lot of potential in applying innovation and technology in many industries. For example, Hong Kong has long been renowned for its high-rise infrastructure, as well as the construction, design and management industries that support it. We are looking to innovation and technology to drive its future. My Government will help lead the way, as beginning this year, we will adopt Building Information Modelling technology in the design and construction of major government capital works projects. And we are setting up a HK\$1 billion Construction Innovation and Technology Fund to encourage industry to adopt innovative technology.

We see the advantage, too, of expanding the reach of innovation and technology in government. Plans include heightened training in innovation and the application of technology for our civil servants. In addition, a big-data

analytics centre will be in place by 2020, introducing real-time data transmission and sharing among government departments. In the coming year, we will also adopt public cloud services for government departments. Soon after, we will revamp the government's cloud infrastructure, enabling digital services delivery among government departments, service providers and others. A soon to be established Policy Innovation and Co-ordination Office will be tasked to review existing legislation and regulations with a view to removing outdated provisions that impede the development of innovation and technology. We are also examining government procurement to make sure that innovative solutions will not be overlooked.

In the end, of course, our resources, funding and support are focused overwhelmingly on creating an enabling environment for business and business innovation. In this regard, we are applying innovation and technology to retool our pillar industries and to spark entirely new industries, creating careers and wealth that reward us all.

We are focused, in short, on building a new model of development. This Festival surely underlines the creative and entrepreneurial spirit that drives the collaboration between Hong Kong and the UK. It was also the catalyst for a joint statement on "Closer Collaboration between the UK and Hong Kong on Trade and Economic Matters", which was announced earlier today.

That statement naturally embraces free trade. Hong Kong and the UK enjoy close trade ties, and our bilateral trade increased 4.4 per cent last year. The UK was Hong Kong's 13th largest global trading partner in 2017. In services, the UK was our third largest partner in 2015. And the UK, at the end of 2016, was Hong Kong's eighth-largest source of inward direct investment. Not surprising, with more than 670 UK companies doing business in Hong Kong, and using Hong Kong as the gateway to markets in Mainland China and throughout the Asia region.

The joint statement also singles out creative industries and the promise they hold for our two economies. In 2016, Hong Kong's creative industries employed about 135 000 professionals in areas ranging from design and the arts to communications, animation and film. Hong Kong has long been a global centre for filmmaking and film talent. Over the past two years, some 30 UK production companies have turned to Hong Kong for location shooting. And Hong Kong looked to the UK for some HK\$3.8 billion worth of creative goods in 2016, from jewellery to books, particularly, I'm told, children's books.

The joint statement also spotlights the priority our two economies place on innovation, research and development, underlining the opportunities that innovation and technology offer Hong Kong and the UK – at the governmental, business and institutional levels. A good start is the signing of the Hong Kong-UK Fintech Bridge Agreement, which I witnessed while in London. It opens wide the door to expanded fintech co-operation between us.

All in all, we look forward to working with our good friends and GREAT partners from the UK – today, tomorrow and long down the innovation road. Here, my thanks go to the British Consulate for organising the GREAT Festival

of Innovation. Spread over four days and nights, the GREAT Festival features more than 120 high-profile speakers, spotlighting everything from smart cities to the future of free trade and the Belt and Road Initiative. Fashion, food, travel, storytelling and a GREAT deal more too. I am sure everyone will enjoy it, and many collaboration opportunities between Hong Kong and the UK will be identified.

On that note, I wish you all a memorable festival and a GREAT year ahead! Thank you.



[News story: Prudential Regulation Authority launches public consultation on eligibility of guarantees](#)

The [Prudential Regulation Authority](#) (PRA) has launched a public consultation on the eligibility of guarantees as unfunded credit protection.

The proposed changes seek to clarify what contracts are eligible to be treated as guarantees for credit risk mitigation under the Capital Requirements Regulation (CRR). Some of the suggestions proposals made in the consultation document could impact the capital treatment of UKEF guaranteed loans.

UKEF is in touch with the PRA and is working closely with them to answer their questions on export credit guarantees and the international obligations that influence the terms of our guarantee.

[Find out more and download the consultation paper.](#)

The consultation closes on Wednesday 16 May.

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Speech: Brexit offers big opportunities to showcase our creativity and innovation

Some people may say that Britain will struggle to trade with the rest of the world after we leave the European Union. Such a gloomy outlook fails to recognise the continued strength of the UK economy, with record inward investment, an 11% increase in exports and employment at a historic high.

In reality, the UK has cutting-edge capabilities. We lead the world in art and culture, food and drink, finance and education.

Last year we had 58,000 tech start-ups in the UK, a new tech business every hour. Digital technology has helped reduce many of the old barriers to trade and made the world more connected. You don't have to leave Basingstoke to sell your digital app to someone in Beijing. UK businesses have a huge amount to gain from this trend.

The IMF predicts 90% of global growth will be generated beyond the borders of Europe in the coming years.

Much of this will come from Asian economies, where new markets are growing to match their new wealth. Trade between the UK and China is already at record levels, worth more than £59 billion, while UK exports to China increased by over 25% last year.

China's middle class is expected to number 600 million by 2020 – greater than the current population of the EU. This offers big opportunities for UK businesses in a market that wants UK goods and services, and this government is putting the UK in a position to benefit.

This week I will take a delegation of nearly 300 UK businesses to the [GREAT Festival of Innovation in Hong Kong](#), which has been organised by the Department for International Trade. Entrepreneurs and businesses of all sizes will come together to showcase the best of British creativity and innovation.

The festival will explore how the world will work, live, play and learn in the future, and it's a golden opportunity for British companies to create new business relationships not only with Hong Kong, China and the wider Asian region, but across the world.

There are already brilliant partnerships between UK and Asian companies of every kind, from large corporates to new start-ups.

From cutting-edge UK robotics making construction safer in Hong Kong, to Chinese automotive technology cleaning the air we breathe in UK cities.

Today I'm launching 3 campaigns to showcase the best of British fashion, beauty, food and consumer goods on some of Asia's top commerce platforms and mobile shopping apps.

More than 160 UK brands will benefit – from Waitrose and Neal's Yard Remedies, to Boohoo, Cath Kidston, Victoria Beckham and Burberry. This type of e-commerce will be the new frontier of global trade. It favours smaller companies, and ensures more women can be involved in international trade.

That's why, as the digital economy continues to develop, the UK will use our new independent trade policy to make sure global rules benefit British businesses.

We are an innovation nation ready for the hi-tech opportunities around the world that Brexit will open up.

Demand for UK goods and services is growing, and the new relationships we forge at the GREAT festival will maintain this momentum, so we can deliver a brighter, more prosperous future for every part of the UK.

Britain is not struggling, it is blossoming.

[More jobs, rising wages and lower inflation](#)

In the last three months the UK generated another 168,000 additional jobs.

There are now 816,000 vacancies which is good news for those who are still out of work. Unemployment is at 4.3%, well below Euro area levels. Inflation on the government's preferred measure CPI(H) fell to 2.5% whilst wages rose by 2.8% over the last year. Since the vote jobs are well up, pay is up, and the economy continues to expand. So much for the post vote recession they told us we should expect.

Speech: Strengthening financial oversight of Montenegrin Parliament

Poštovani gospodine Sekuliću, gospodine Jovićeвиću, dragi Emile, poštovani poslanici i poslanice,

Drago mi je da sam danas ovdje sa vama da obilježimo kraj faze projekta na kojem smo radili sa crnogorskom Skupštinom i Vestminsterskom Fondacijom.

As the representative body of Montenegrin citizens, and the seat of legislative power in the country, ensuring sound legislative scrutiny is central to Parliament's role and essential in delivering accountability. Robust parliamentary oversight of the public finances not only facilitates good use of public funds but enhances the provision of public services and supports the alignment of policy with citizens' needs.

Parliamentary Budget Offices, such as the one the UK has helped the Montenegrin Parliament to establish, are designed to enhance the financial and economic analytical expertise available within a parliament as well as providing independent costing of policies and legislation. They are supposed to be the objective and competent aide to the MPs in performing one of their most crucial roles – holding government accountable for the money it has spent.



Copyright: Parliament of Montenegro

I'm delighted that the British Government, working through the Westminster Foundation for Democracy, has supported the establishment of a Parliamentary Budget Office within the Parliament of Montenegro. The UK's intention is that this facility will enhance the culture of effective financial oversight and scrutiny, thus assisting the country in the process of European integration.

We are grateful to the Parliament of Montenegro for their consistent support for this project, which was not an easy task, and involved a series of complicated institutional and procedural solutions.

The work of the Montenegrin Parliamentary Budget Office has been tested through the times of the post-election period in 2016, formation of the new Government, adoption of Montenegro's first 4-year Fiscal Strategy and the government's plan for fiscal consolidation.

Although few in numbers, the researchers have managed to both build up their capacities and answer the inquiries of MPs, as well as work proactively on the topics they considered neglected or important enough for the attention of MPs.

While the position of the UK remains that we call for all elected MPs to take up their seats in Parliament and in order to better serve those who voted for them, I am pleased that MPs of all parties have drawn on material produced by the Parliamentary Budget Office.

We are particularly glad that within this project, the MPs and parliamentary staff of the Montenegrin Parliament had the opportunity to witness the work

done by the Scottish Parliament Information Centre and the functioning of its Financial Scrutiny Unit.

The UK looks forward to the Parliament of Montenegro continuing to develop the Parliamentary Budget Office. There is still work to do to make the Parliamentary Budget Office an integral part of the parliamentary structure, and I welcome the reassurance from the Parliamentary leadership that this will happen soon.

The UK hopes that the products produced by the Parliamentary Budget Office will be used not only by the MPs in the Committee for Economy, Finance and Budget, but by all the committees across the Parliament. Public money flows through all policies of the state, and its oversight is equally important in the welfare sector as well as healthcare or education.

Furthermore, we hope that the products of Parliamentary Budget Office will be read and used by a wider audience outside of the Parliament, as a credible and objective source of data for both the civil society organisations and media.

The UK stands ready to support the future work to strengthen the accountability of Montenegrin institutions, and to continue work which draws on the UK's rich parliamentary experience.

Zahvaljujem se na vašem doprinosu i radujem nastavku razgovora na ovu temu.

Hvala.