

Speech by FS at Greater Bay Entrepreneurship Day in Davos (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Greater Bay Entrepreneurship Day today (January 22, Davos time) in Davos, Switzerland:

Calvin (the Chairman and President of AMTD Group, Mr Calvin Choi), Mayor Chen (the Executive Vice Mayor of Guangzhou Municipality, Mr Chen Zhiying), Mr Leung (the Chairman of the Chamber of Hong Kong Listed Companies, Mr Francis Leung), Ms Chao (the Executive Chairman of Wah Kwong Maritime Transport Holdings, Ms Sabrina Chao), Distinguished Guests, Ladies and Gentlemen,

Good evening! A very warm welcome to you all to this Greater Bay Entrepreneurship Day.

First of all, I congratulate AMTD Group on organising this event, which shines a light on the exciting potential of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area).

We are fortunate to have a number of leading entrepreneurs – people who know what it takes to succeed in Hong Kong, in the Mainland of China and internationally – to share their insights and experiences with us today.

The Greater Bay Area is a huge and wide-ranging initiative with great potential for our region and for local and international entrepreneurs alike.

So let me begin by putting the scale of the Greater Bay Area into perspective:

Covering more than 56 000 square kilometres, it is larger than the Tokyo and San Francisco Bay Areas combined.

The Greater Bay Area has a total population of nearly 70 million, similar to that of the United Kingdom, and generates GDP of about US\$1.5 trillion, which is similar to that of Korea and roughly double that of Switzerland (US\$679 billion in 2017).

What's more, Greater Bay Area GDP is forecast to reach US\$4.6 trillion by 2030, which is close to that of Japan in 2017 (Japan GDP in 2017 – US\$4.87 trillion).

In other words, this is a globally significant economic cluster. It covers nine major cities in Guangdong Province plus the Special Administrative Regions of Hong Kong and Macao. Each of these cities has their own strengths, in manufacturing, technology, tourism, finance and so on.

The challenge is to harness the collective economic power of the region,

and what's most exciting for entrepreneurs is that we are just getting started! Opportunities for new ideas and inventions are limitless.

Here's how Hong Kong can help you connect and excel in the Greater Bay Area.

As a Special Administrative Region of China guided by the principle of "one country, two systems", our city offers several unique and deeply ingrained advantages. These include free flows of capital, people and information and a level playing field for all businesses. Our tried and trusted common law system, underpinned by an independent judiciary, gives entrepreneurs peace of mind whether in getting started, raising capital, mergers and acquisitions or resolving disputes.

Capitalising on these strengths, Hong Kong is a global financial centre, ranked alongside New York and London. Last year, we led the world again in terms of IPO funds raised (approximately US\$37 billion). We serve as a fund management, insurance and offshore Renminbi business hub for the region and the world. So if you choose to raise capital or settle trade using the Chinese currency, you can do that easily and efficiently in Hong Kong.

Perhaps the most valuable asset for entrepreneurs taking the plunge in any new market is know-how. Hong Kong has been doing business with the Mainland for decades, and especially since China implemented its opening up and reform policies 40 years ago.

We know the language, the culture, the people and the way of doing business in the Mainland, and the next generation of entrepreneurs can use this knowledge to their advantage when they explore Greater Bay Area opportunities.

Our cross-boundary connectivity – close links with both the Mainland and the rest of the world – has helped to attract more than 8 700 Mainland and overseas companies to operate in Hong Kong. Nearly half of them have their regional headquarters or regional offices in our city, according to the latest report by Invest Hong Kong.

In the past few years, the local start-up scene has also shifted into high gear. Currently, there are over 2 600 start-ups in Hong Kong, representing an increase of 18 per cent compared to 2017. A closer look reveals that 35 per cent of the founders are from outside Hong Kong with the leading countries of origin being the UK, the US, Mainland China and Australia.

That also means that just over 60 per cent of start-up founders are from Hong Kong, reflecting our entrepreneurial spirit that is part of our city's DNA.

The Government is supportive of youth innovation and entrepreneurship. We have set up a \$300 million Youth Development Fund to support business ventures by young people. To further enhance support for youth business start-ups, we will inject another \$300 million into the Fund.

Elsewhere, InvestHK launched the StartmeupHK programme in 2013 to attract innovative and scalable entrepreneurs to Hong Kong. The programme serves as a one-stop service platform to support entrepreneurs and enhance our start-up ecosystem.

And the Hong Kong Trade Development Council provides start-ups and SMEs with a competitive edge in such areas as market insights, effective networking and trade promotion opportunities, to name just a few.

We encourage collaborative efforts between the Government and various community resources to help young entrepreneurs grasp opportunities in the Greater Bay Area.

Echoing this spirit of collaboration, we applaud the establishment of the Greater Bay Young Entrepreneurs Association.

Working together, I believe that we can spur the Greater Bay Area to achieve its full potential, and, in doing so, create new and exciting opportunities for start-up entrepreneurs.

I wish you all a fruitful Greater Bay Entrepreneurship Day and the best of business in 2019. Thank you.