

# Speech by FS at HKCGI Annual Celebration Reception 2025 (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Hong Kong Chartered Governance Institute (HKCGI) Annual Celebration Reception 2025 today (February 19):

David (President of HKCGI, Mr David Simmonds), Edith (past President of HKCGI, Ms Edith Shih), Ellie (Chief Executive of HKCGI, Ms Ellie Pang), Kelvin (Chairman of the Securities and Futures Commission, Dr Kelvin Wong), fellow members, ladies and gentlemen,

Good evening. It is a great pleasure to join you tonight to celebrate the laudable achievements of the Hong Kong Chartered Governance Institute over the past year.

I last joined you in October for the Institute's landmark 75th anniversary celebration. This gathering, I'm honoured to say, carries special significance for this speaker.

I have been fortunate in my career, blessed to have known and worked with, a great many good people and organisations – including this Institute and its members.

As Edith just mentioned, my deep and abiding ties with the Institute go back more than 40 years now. Today, I stand here, deeply humbled, in front of so many longstanding friends and associates, as an HKCGI Prize Award recipient. And this Award is one that I accept with immense gratitude.

Good governance has always been fundamental to our city's success as an international financial centre. Today, it continues to serve as the bedrock of trust in our companies and stability in our financial system.

From Resilience to Growth

Last year, the theme of the Institute was "Resilience in Governance". Over the past year, we have all witnessed Hong Kong's remarkable resilience in face of a complex external environment.

For example, Hong Kong has climbed up in several prominent international rankings – as the freest economy in the world; and Asia's number one international financial centre, and among the global top three. Our overall international competitiveness is among the world's top five.

We have demonstrated our enduring appeal to businesses from all over the world. Last year, the number of Mainland and overseas companies with presence in Hong Kong jumped by 10 per cent, reaching nearly 10 000. The total number of companies in Hong Kong also reached an all-time high of 1.46 million.

And our capital market is gaining momentum again, signified by higher liquidity and a more vibrant IPO (initial public offering) market, raising funds of more than \$87 billion last year and ranking fourth globally. Our stock market surged by some 18 per cent, with an average daily turnover reaching \$132 billion last year, an increase of around 26 per cent from a year earlier. The optimism here is marked by another recent boom in the stock market.

This year, the world will look no less complex. The dynamics of the global economy are rapidly changing. Geo-economic fragmentation fuelled by protectionism and unilateralism, higher-for-longer interest rates, disruptive technologies and climate change are among the predominant forces and challenges reshaping businesses and financial markets everywhere.

Your strategic theme for 2025, "Governance for Growth", could not be more timely, for we all look for strategies to find new growth impetus in changing times.

Hong Kong is a small and externally-oriented economy. Our prosperity has long hinged on our connectivity with both the Mainland and the rest of the world. Navigating changes and challenges has long been our strength.

Geopolitics present both challenges and opportunities. With the staunch support from our country, and with our resilience, agility and versatility, we have all the good reasons to stay confident.

For example, in response to geopolitics, many Mainland enterprises see the need to redirect their manufacturing capacity and capabilities overseas, particularly the Global South, including Southeast Asia. With the realignment of the global industrial and supply chains, they need a wide range of financial, high value-added professional and consulting services. Also significant to their businesses are trade financing, corporate treasury and logistics management services, as well as advice on compliance with regional and international standards and practices.

As an international financial centre, home to global capital, top-notch talent and world-class professional services providers with extensive international connections, Hong Kong is where they want to be to realise their global ambitions. We are encouraging these companies go global using Hong Kong as a platform, by establishing their regional and international headquarters, corporate treasury centres and even R&D (research and development) hubs in the city.

All the more so, Hong Kong will continue to be a popular destination for such companies to raise capital to support their expansion plans. With the staunch support from the Central Authorities, Hong Kong is working to bring more leading Mainland companies to our stock exchange. The market is optimistic about our IPOs this year. Indeed, more than 100 companies are in the waiting line. Besides, more than the stock market, the full suite of fund-raising options, from angel investments, private equity and venture capital to alternative financing, are at the service of companies at different stages.

## Governance for success

Ladies and gentlemen, governance professionals will be at the core of all these new and exciting developments. More than beneficiaries, by ensuring that businesses embrace good governance as a driver of long-term success and prosperity, you contribute to the high integrity and reputation of Hong Kong as an international financial centre.

This is an important mission. For that, I am grateful to the HKCGI – to each and every one of you – for your great work.

Once again, allow me to tell you how deeply honoured I am to receive this award from the Institute – from you, friends and colleagues, believers in Hong Kong, all.

I wish you the best of business and health in this promising Year of the Snake. Thank you very much.

