

# Speech by FS at Reception in Celebration of 127th Anniversary of Proclamation of Philippine Independence (English only) (with photos)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Reception in Celebration of the 127th Anniversary of the Proclamation of Philippine Independence today (June 12):

Consul General Israel (Consul-General of the Philippines in Hong Kong, Mr Romulo Victor Manzano Israel), Deputy Commissioner Pan Yundong (Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region), consuls-general, distinguished guests, ladies and gentlemen,

Good evening. It is a great pleasure to join you tonight in celebrating the 127th anniversary of the Republic of the Philippines' proclamation of independence.

Let me take this opportunity to extend a formal and warm welcome to Consul General Israel, who assumed his new post in Hong Kong this April. With your extensive diplomatic career in the Philippines and abroad, I am confident that your experience and insight will further help strengthen the close ties between Hong Kong and the Philippines.

I had the honour of attending this reception last year, where I spoke about the strong and growing connections between our two economies. One year on, I am pleased to see that our bilateral relationship continues to deepen and expand.

Tourism is a shining example. Last year, we welcomed nearly 1.2 million visitors from the Philippines, a remarkable increase of over 55 per cent compared to 2023. This positive momentum has continued, with over 550 000 Filipino visitors arriving in the first five months of this year, representing a 27 per cent year-on-year growth.

Our trade relationship remains robust. Hong Kong plays a vital role as a gateway for China's exports to the Philippines. Hong Kong is the Philippines' fifth largest trading partner. Last year, our value of merchandise trade grew to HK\$108 billion. Hong Kong handled around 13 per cent of the total merchandise trade between China and the Philippines.

Besides, I am pleased to note that we have started negotiations on a

Comprehensive Avoidance of Double Taxation Agreement. I trust such an agreement will further simulate our bilateral trade and investments.

All these encouraging developments point to a future of even closer business ties and new opportunities for collaboration.

The Philippines stands out as one of the fastest-growing economies in ASEAN (Association of Southeast Asian Nations). I am pleased to learn that your Government is making proactive efforts to implement pro-business reforms to simplify company formation process, lower entry barriers and attract foreign businesses. These measures will facilitate trade and investments with your economic and trade partners. Meanwhile, more infrastructure flagship projects will bolster the economy, improve connectivity and make your country more attractive to businesses from abroad.

In an era marked by rising protectionism and increasing geopolitical uncertainty, globalisation is facing backlashes. Countries are seeking to diversify their export markets and development drivers. In this context, enhancing intra-regional trade and collaboration will be key to achieving sustainable growth. In this connection, we greatly appreciate the Philippines' continued support for our accession to the Regional Comprehensive Economic Partnership (RCEP).

Under the "one country, two systems" arrangement, Hong Kong is a "super connector" and "super value-adder" between the Chinese Mainland and the rest of the world. We steadfastly uphold our free port status, with the free movement of goods, capital, information and talent. Our world-class transport and logistics infrastructure provides a perfect springboard for your country's products and services to reach the Mainland, across North Asia, and beyond.

Now, given the policy uncertainties in the US and shifting global investment landscape, Hong Kong has emerged as a safe harbour for international capital. This is reflected by capital inflows and investors' optimism. Our stock market has performed exceptionally well, rising by 20 per cent so far this year, on top of the 18 per cent increase last year. It is one of the top-performing markets globally.

With deep liquidity and a comprehensive suite of funding options, Hong Kong offers an ideal platform for Filipino enterprises to raise funds to support their business development. They can consider listing on our Stock Exchange, or connecting with angel investors, venture capital and private equity for collaboration.

For sure, Hong Kong has more to offer. You will find Hong Kong an ideal location to raise funds for quality infrastructure and green transition projects. Beyond traditional means, such as bond issuance, there are innovative financing models such as infrastructure loan securitisation, or catastrophe bonds, which are designed to share natural disaster risks with investors. Hong Kong has already issued seven catastrophe bonds, covering events from earthquakes to storms across Asia and the Americas.

In short, the potential for deeper co-operation between our two economies is vast and far-reaching.

Before I conclude, I would like to express my heartfelt appreciation to the more than 220 000 Filipino nationals in Hong Kong. They are an integral part of our community and have made invaluable contributions to the economic and social fabric of this city.

On behalf of the Hong Kong SAR Government, I extend my warmest congratulations to the people of the Philippines on your Independence Day. May the friendship between Hong Kong and the Philippines continue to flourish and prosper for years to come.

I wish you all a most enjoyable evening. Thank you very much.

