

# Speech by SCED at HKGCC Chinese New Year Dinner 2025 (English only)

Following is the speech by the Secretary for Commerce and Economic Development, Mr Algernon Yau, at the HKGCC Chinese New Year Dinner 2025 today (February 13):

Agnes (Chairman of the Hong Kong General Chamber of Commerce, Ms Agnes Chan), 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 (HKSAR)), Deputy Director-General Zhou Qiang (Deputy Director-General of the Economic Affairs Department and Head of the Commercial Office of the Liaison Office of the Central People's Government (LOCPG) in the HKSAR), Deputy Director-General Xu Xiaolin (Deputy Director-General of the Coordination Department of the LOCPG in the HKSAR), distinguished guests, ladies and gentlemen,

Good evening. It gives me great pleasure to join you all tonight. This festive occasion gives us a time to reflect on the past year and look forward with hope to the new one.

In 2024, Hong Kong demonstrated to the world our resilience in times of uncertainties. Our city is ranked as the world's third-largest financial centre, the world's freest economy, and is at the fifth place in the global competitiveness ranking. We now have nearly 10 000 companies from the Mainland and overseas, as well as 4 700 start-ups. Both numbers are the highest that we have ever seen. These are signs of confidence in Hong Kong's status as a prime business destination.

But challenges will keep coming. In addition to conflicts in Europe and the Middle East, we also need to brace the rapid changes in the operating environment. The United States (US)' imposition of tariffs will affect many economies and companies. On this, the HKSAR Government strongly disapproves. It rattles the fundamentals of a rule-based multilateral trade system, which took the whole world decades to build. As far as the tariffs on Hong Kong are concerned, we have decided to file a complaint to the World Trade Organization. We have always been a staunch supporter of free trade, and we will continue to hold tight to our beliefs.

Risk management is key to a successful business. I am sure many of you saw the uncertainties coming from years ago. I was told that a lot of companies have already modified their business plans, the supply chains, asset distributions, etc, in anticipation of the changing external environment. I encourage you to continue to do the same.

For Hong Kong, this term of Government attaches a lot of importance to exploring new markets. The US and Europe are traditionally among our largest trading partners, and they will probably continue to be so. We are happy with

the businesses that we do with each other, which are mutually beneficial. But more importantly, we must not lose sight of the business potential in other markets. The Association of Southeast Asian Nations (ASEAN), for example, if taken as a bloc, is now Hong Kong's second-largest trading partners. Other emerging regions, such as the Middle East, are also catching up fast.

In the past two years or so, we have led business delegations to ASEAN and the Middle East. We will continue to do so in the coming year. We will also step up our efforts to forge new trade and investment agreements with rising trading partners. Increasing our trade and investment with new markets will inject new impetus into Hong Kong's economy. It will also help us mitigate the risks arising from geopolitics.

Looking closer to home, we spare no efforts to drive changes to our economic structure. The Government sees the need to develop silver economy. The growing elderly population in Hong Kong is becoming an important consumer group, creating considerable demand for such products and services as medical and healthcare, leisure and recreation, and home and personal care catered for the elderly. These products and services also enhance the quality of life for the elderly of Hong Kong, which is equally important for us.

We also encourage Hong Kong companies to embrace electronic commerce (e-commerce). This is a global trend in consumption pattern that is irreversible. To help our small and medium enterprises to upgrade their business models, we launched the "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales last year to provide funding support. The Hong Kong Trade Development Council, the HKTDC, also organised the first Hong Kong Shopping Festival to showcase consumer products and brands on Mainland e-commerce platforms. The Festival was a huge success. We will organise the second edition this year. The HKTDC will also step up efforts in providing advisory support to enterprises in need when exploring the e-commerce market.

I spent all my life in Hong Kong. In my entire career, I witnessed Hong Kong going through ups and downs. The world today is so different than the world I was in when I was in my twenties. One of Hong Kong's biggest appeal is the "can-do" spirit of Hong Kong people. We are flexible, adaptive, determined, forward-looking, and we fight hard. We will rise above the challenges and come out on top.

I would like to thank the Hong Kong General Chamber of Commerce for all the good you do to our business community. As we enter the Year of the Snake, let us draw inspiration from its attributes of versatility, intelligence and agility, and work together to build a better future for Hong Kong. I wish you all a year with good health, success and happiness. Thank you.