

## Fatal traffic accident in Tin Sum

Police are investigating a fatal traffic accident in Tin Sum this morning (January 14) in which a 67-year-old man died.

At about 8.30am, a public light bus driven by a 67-year-old man was travelling along Shing Mun Tunnel Road towards Sha Tin, and it reportedly lost control and side-turned.

Sustaining serious head injury, the public light bus driver was trapped inside the compartment and was rescued by firemen. He was rushed to Yan Chai Hospital in unconscious state and was certified dead at 10.07am.

Ten male and six female public light bus passengers, aged between 18 to 56, were injured and were sent to Yan Chai Hospital and Princess Margaret Hospital respectively in conscious state.

Investigation by the Special Investigation Team of Traffic, New Territories South is underway.

Anyone who witnessed the accident or has any information to offer is urged to contact the investigating officers on 3661 1300 or 3661 1348.

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## Speech by FS at Asian Financial Forum 2019 keynote luncheon (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Asian Financial Forum 2019 keynote luncheon at the Hong Kong Convention and Exhibition Centre this afternoon (January 14).

The Honourable Robert Zoellick (former President of the World Bank Group), Vincent (Chairman of the Hong Kong Trade and Development Council, Mr Vincent Lo), Mr Bi (Chief Executive Officer and Chairman of Management Committee, China International Capital Corporation Limited, Mr Bi Mingjian), Mr Chu (Chairman and Chief Executive Officer, First Eastern Investment Group, Mr Victor Chu), distinguished guests, ladies and gentlemen,

Good afternoon.

It's a pleasure to be here for today's luncheon, on the opening day of the Asian Financial Forum.

We are in the opening weeks of 2019. While saying "Happy New Year" to all of you, I think it's fair to say that many of us welcomed the new year in

an anxious, unsettled state. Indeed, that prevailing mood has seized the attention of much of the world for some months now.

Given the uncertainties regarding the rules-based multilateral trading system and globalisation in general, this high-level Forum, which has attracted more than 3 000 leaders like you from all over the world, offers hope through considered discussion and lively debate.

Hong Kong is the natural setting for such discussion and debate. After all, Hong Kong is where East and West have long gathered to connect – to trade, to do business, to seek investment and, ultimately, to excel.

Our keynote luncheon speaker, the Honourable Robert Zoellick, knows a thing or two about excelling and surely about global adversity as well, having served as the World Bank Group President through the global financial crisis. Like you, I am looking forward to his address, to his thoughts and observations about these testing times.

For the next few minutes before handing over the stage to Robert, allow me to focus on what I know best, i.e. Hong Kong, about what we have done and what we are doing to prepare ourselves for the future.

The continuing trade disputes among major economies and the raise in protectionism present significant challenges. And given the complexity of the global supply chains, additional trade barriers will result in higher costs for doing business, which will be borne not only by exporters, but also by importers, as well as end consumers.

Trade friction creates uncertainty. That weighs heavily on global investment and business sentiment. It also adds downside risk to economic growth and increased volatility in financial markets.

But I can assure you, protectionism won't happen here in Hong Kong, the freest economy in the world.

We support free trade and the multilateral trading system, as well as the free flow of capital, people and information. Indeed, it is the cornerstone of our economy.

While our small, open economy can hardly expect to remain untouched by global forces, our financial system has withstood countless challenges over the years and the decades.

The International Monetary Fund last month commended Hong Kong's prudent macroeconomic policies. The Fund noted that our long-standing buffers will help Hong Kong maintain stability despite the increasing risks confronting global growth.

And we are now enhancing our regulatory regime and the resilience of our markets.

We are equally committed to implementing international standards that improve our banking sector's buoyancy. Hong Kong is a staunch supporter of the regulatory reforms of Basel III. And we are working to implement the Basel Committee's latest capital and financial-exposure standards.

Over the past year or so, we have approved legislation to boost our anti-money laundering and counter-terrorist financing regime.

We are also preparing to establish a risk-based capital regime for the insurance industry. The goal is to align Hong Kong's regulatory regime with international standards and to make capital requirements more sensitive to the level of risk that insurance companies bear.

A new statutory corporate rescue proposal, together with insolvent trading provisions, will also be introduced. It will help those experiencing short-term financial difficulty revive their business by maximising the potential of a viable company and, in doing so, preserve jobs. If this is not possible, we hope to achieve a better return for a company's creditors than is the case in an immediate insolvent winding-up.

Other than regulatory enhancements, we are also stepping up efforts in market development.

Hong Kong is the world's leading IPO (initial public offering) centre, last year raising some US\$37 billion. In the past 10 years, we topped the world in IPOs on six occasions. And we're determined to keep that global financial crown.

Last April, our Stock Exchange implemented a new listing regime. It allows new economy companies with a weighted voting rights structure, as well as pre-revenue and pre-profit biotech companies, to list in Hong Kong. I am pleased to note that so far seven such companies have been listed under the new regime and there are many more in the pipeline.

Hong Kong is also a premier asset and wealth management centre, thanks to increasing wealth creation in the Mainland of China and other parts of Asia.

At the end of 2017, our asset and wealth management business stood at US\$3.1 trillion, with two-thirds of those assets coming from non-Hong Kong investors.

We have also introduced a new open-ended fund structure, providing an alternative choice to the unit trust structure in the setting up of funds.

It's the first time Hong Kong has put in place a dedicated legal regime for a fund vehicle. And we are now looking into the introduction of a limited partnership regime for private equity funds in Hong Kong.

To attract additional funds to Hong Kong, we have been rolling out attractive tax measures. We have tabled a bill at the Legislative Council to

provide profits tax exemption for onshore funds operating in Hong Kong, in addition to offshore funds.

Our intention is to allow all funds to enjoy tax exemption regardless of their structure, their size or the purpose they serve.

We are, to be sure, looking to maximise our role in the Guangdong-Hong Kong-Macao Greater Bay Area. For those who are not familiar with this development plan, the Greater Bay Area is a region covering 11 cities with a combined population of close to 70 million people and a collective GDP of US\$1.5 trillion. The Greater Bay Area offers huge potential for the Hong Kong financial services industry.

So does the Belt and Road Initiative. We expect to contribute in a number of areas under this far-reaching Initiative: serving as the financing risk management and professional services hub for infrastructure projects, Asia's major asset management centre, as well as the global hub for offshore Renminbi business.

Financial technology is also high on our policy agenda. It will help us diversify our financial services development, while sustaining its growth.

Indeed, fintech is fast transforming the sector, while creating new business opportunities.

We expect to grant the first batch of virtual bank licences shortly, offering the public more choice and efficiency in their banking services.

The Open Application Programming Interface framework for the banking sector is also being implemented in phases. It will enable collaboration between banks and technology companies. And that can only create more innovative and integrated financial services.

Green finance is also a policy priority. We see Hong Kong serving as a premier financing centre for international and Mainland green companies and projects, raising funds by issuing bonds and IPOs.

The Hong Kong Quality Assurance Agency launched its Green Finance Certification Scheme last year, providing third-party conformity assessments for issuers on their green debt instruments.

Numerous local, Mainland and international organisations, including the Asian Development Bank, the World Bank and the European Investment Bank, have made use of Hong Kong to issue green bonds.

We will soon launch a Government Green Bond Programme with a borrowing ceiling of about US\$13 billion. That should encourage more issuers to arrange financing for their green projects through our capital markets.

There's much more, either in the works or the planning stage. The point, ladies and gentlemen, is that Hong Kong is prepared for whatever this new

year – and well beyond – ultimately brings us.

Like you, of course, I'm hoping that the flag of free enterprise is soon proudly raised, and flying, in economies all over the world. Hoping that, in the Chinese New Year of the Pig, just around the corner, we can all continue to bring home the bacon.

I wish you all a rewarding Forum and the best of business in 2019.

Thank you very much.

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## Transcript of remarks by SLW on eligible age for elderly CSSA

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, on adjusting the eligible age for elderly Comprehensive Social Security Assistance (CSSA) from 60 to 65 after attending a radio programme this morning (January 14):

Reporter: It seems that there is a very slim chance for any of the proposed changes to be delayed or withdrawn. Why are you putting out such a firm position?

Secretary for Labour and Welfare: The decision has been made for two years since the announcement of the change in policy back in the 2017 Policy Address. After that, it was just a matter of implementation. I would say we have been not too promptly in executing the decision that has been made two years ago. And now, we are going to implement the policy that was made two years ago. So, the decision has been made. So, to revise that policy or to revise that decision would take, I would say, a very long path. It is almost impossible for us to do anything before February 1.

Reporter: So how would the Government respond to the public outcry so far? Will there be any special measures to help them in the process?

Secretary for Labour and Welfare: We are considering what kind of measures, particularly administrative measures, that can be done before February 1 or be implemented by February 1 to help those who are needy and to provide more support for them, no matter in terms of welfare or in terms of employment support.

Reporter: Can you give some examples?

Secretary for Labour and Welfare: Within our welfare system, there are always elements that the public have expressed their views on needy improvement. In fact, one of the measures that was actually mentioned in the past few days –

it was related to the disregarded earnings (for CSSA recipients), which basically means that, for those who earn some money while they are receiving CSSA, they can preserve some of their money (monthly earnings from employment) in their own pocket. At the present moment, it is \$2,500 (total disregarded earnings per month) at the maximum. That was set back in 2003, which is almost 16 years ago. So, it is definitely time to review that particular amount. Because of the recent discussion, there may be a necessity to advance some of the changes that we had already been considering in the past.

(Please also refer to the Chinese portion of the transcript.)

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## Update on cases of Legionnaires' disease

The Centre for Health Protection (CHP) of the Department of Health today (January 14) reported the latest number of cases of Legionnaires' disease (LD), and stressed the importance of using and maintaining properly designed man-made water systems, and that susceptible groups should strictly observe relevant precautions.

From January 6 to 12, one community-acquired LD case was reported. The male patient, aged 66 with underlying illnesses, lives in Siu Lung Court, 33 Tin King Road, Tuen Mun.

"Epidemiological investigations are ongoing to identify potential sources of infection, high-risk exposure and clusters, if any," a spokesman for the CHP said.

As of January 12, one LD case had been reported in 2019. In 2018 and 2017, there were 105 and 72 cases respectively.

"Men, people aged over 50, smokers, alcoholics and persons with weakened immunity are more susceptible to LD. Some situations may also increase the risk of infection, including poor maintenance of water systems leading to stagnant water; living in areas with old water systems, cooling towers or fountains; using electric water heaters, whirlpools and spas or hot water spring spas; and recent stays in hotels or vessels," the spokesman said.

Legionellae are found in various environmental settings and grow well in warm water (20 to 45 degrees Celsius). They can be found in aqueous environments such as water tanks, hot and cold water systems, cooling towers, whirlpools and spas, water fountains and home apparatus which support breathing. People may get infected when they breathe in contaminated droplets (aerosols) and mist generated by artificial water systems, or when handling garden soil, compost and potting mixes.

Immunocompromised persons should:

- Use sterile or boiled water for drinking, tooth brushing and mouth rinsing;
- Avoid using humidifiers, or other mist- or aerosol-generating devices. A shower may also generate small aerosols; and
- If using humidifiers, or other mist- or aerosol-generating devices, fill the water tank with only sterile or cooled freshly boiled water, and not water directly from the tap. Also, clean and maintain humidifiers/devices regularly according to manufacturers' instructions. Never leave stagnant water in a humidifier/device. Empty the water tank, wipe all surfaces dry, and change the water daily.

The public should observe the health advice below:

- Observe personal hygiene;
- Do not smoke and avoid alcohol consumption;
- Strainers in water taps and shower heads should be inspected, cleaned, descaled and disinfected regularly or at a frequency recommended by the manufacturer;
- If a fresh water plumbing system is properly maintained, it is not necessary to install domestic water filters. Use of water filters is not encouraged as clogging occurs easily, which can promote growth of micro-organisms. In case water filters are used, the pore size should be 0.2 micrometres ( $\mu\text{m}$ ) and the filter needs to be changed periodically according to the manufacturer's recommendations;
- Drain and clean water tanks of buildings at least quarterly;
- Drain or purge for at least one minute the infrequently used water outlets (e.g. water taps, shower heads and hot water outlets) and stagnant points of the pipework weekly or before use;
- Seek and follow doctors' professional advice regarding the use and maintenance of home respiratory devices and use only sterile water (not distilled or tap water) to clean and fill the reservoir. Clean and maintain the device regularly according to the manufacturer's instructions. After cleaning/disinfection, rinse the device with sterile water, cooled freshly boiled water or water filtered with 0.2  $\mu\text{m}$  filters. Never leave stagnant water in the device. Empty the water tank, keep all surfaces dry, and change the water daily; and
- When handling garden soil, compost and potting mixes:
  1. Wear gloves and a face mask;
  2. Water gardens and compost gently using low pressure;
  3. Open composted potting mixes slowly and make sure the opening is directed away from the face;
  4. Wet the soil to reduce dust when potting plants; and
  5. Avoid working in poorly ventilated places such as enclosed greenhouses.

The public may visit the CHP's [LD page](#), the [Code of Practice for](#)

[Prevention of LD](#) and the [Housekeeping Guidelines for Cold and Hot Water Systems for Building Management](#) of the Prevention of LD Committee, and the CHP's [risk-based strategy](#) for prevention and control of LD.

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## **Speech by CE at Asian Financial Forum 2019 (English only) (with photos/video)**

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Asian Financial Forum (AFF) 2019 at the Hong Kong Convention and Exhibition Centre this morning (January 14):

Vincent (Chairman of the Hong Kong Trade Development Council, Mr Vincent Lo), your excellencies, distinguished guests, ladies and gentlemen,

Good morning. On behalf of the Hong Kong Special Administrative Region (SAR) Government, I extend to all of you a very warm welcome to this year's Asian Financial Forum. Since its inception in 2007, AFF has been growing in size and influence, and it is now a highlight in our events calendar. I'm delighted that this year, over 3 300 policymakers, business and financial leaders as well as investors from more than 40 countries and regions are joining us to explore opportunities, do deals, make connections and, ultimately, find innovative ways to excel in 2019.

That, of course, will be a considerable challenge. This new year is already charged with the trade discord between the two largest economies in the world and uncertainties in other parts of the world. For many economies including Hong Kong, moderated growth and for many companies, diminished business and financial results in 2018 appear inevitable. However, for Hong Kong, I believe there are more opportunities than challenges, or put it another way, by leveraging on our solid foundations and proactive policies, we could turn some of those global challenges into our opportunities. And our financial industry, which contributed almost 19 per cent of our GDP in 2017, is well placed to serve the economy.

Indeed, Hong Kong is a city built on finance and possesses the singular good fortune to create opportunities both within the Mainland and the world at large. The results of that unique advantage are clear and compelling. We are among the world's top three international financial centres, in good company with New York and London. Our stock market boasts the world's sixth largest capitalisation at US\$3.8 trillion, which is about 11 times our GDP. In 2018, we topped the world in initial public offerings (IPOs), taking in some US\$37 billion. It should not come as a surprise because since 2009, Hong Kong has taken the first place globally in IPO funds raised for six out of



the 10 years.

We are Asia's second largest international banking centre behind only Japan, and home to over 75 of the world's 100 top banks. Our asset and wealth management sector manages about US\$3.1 trillion, two-thirds of that coming from non-Hong Kong investors. We are, as well, the biggest offshore Renminbi centre in the world, processing more than 75 per cent of global offshore Renminbi payments.

Hong Kong is ranked fourth globally on the ease of doing business, according to the World Bank's Doing Business 2019 Report. That is why over 8 700 overseas and Mainland companies maintain an office in Hong Kong, up 6.4 per cent over the previous year. Among them, 1 530 have chosen to set up regional headquarters here, up 8.3 per cent year on year. Consider, too, foreign direct investment. In 2017, global FDI inflow to Hong Kong totalled over US\$100 billion, third in the world. As for outflow, we were fifth.

There's a good deal more I could spotlight in terms of financial figures and results, but allow me, for the next few minutes, to focus on our fundamental strengths, which have brought Hong Kong from a largely regional financial centre 20 years ago to a financial hub of global clout and significance today.

A driving force, of course, has been Mainland China. Through four decades of reform and opening up, the Mainland today is the second largest economy in the world, its GDP soaring to US\$12 trillion. But, no less important, Hong Kong has taken full advantage of the opportunities we've been presented with, especially under the unique "one country, two systems" principle since the reunification. We have played an irreplaceable role in the Mainland's success while benefitted significantly in many respects.

Thanks to our competitiveness and adaptability, as well as our long-standing embrace of free and unfettered trade, Hong Kong has been rated as the world's freest economy for 24 years running by the Washington-based Heritage Foundation.

Being a global financial centre for decades has also made Hong Kong China's international financial capital, the only Chinese city to fully develop a market-based financial system, one underpinned by the rule of law and internationally aligned regulatory regimes. This has earned Hong Kong the trust of business from all over the world.

Both Mainland and international investors take confidence in Hong Kong. We add value and create wealth for Mainland enterprises, international investors and, of course, ourselves. In this, we continue to advance, responding to both the development needs of the Mainland and the appetite of international investors. You can see that at work, from the listing of H-shares in Hong Kong in the early 1990s, to the Real Time Gross Settlement system for four currencies – US dollar, Euro, Renminbi and Hong Kong dollar – and the Renminbi-denominated financial products at the turn of the century. More recently, we've launched Stock Connect, the northbound trading

of Bond Connect and, this past year, the new listing regime for companies from emerging and innovative sectors.

We will reinforce our prime role in connecting the Mainland with the rest of the world. Hong Kong is the largest source of realised foreign direct investment in the Mainland, contributing US\$95 billion, that's 69 per cent, in 2017. The Mainland is also Hong Kong's second largest source of inward direct investment, contributing 21 per cent, or US\$23 billion, in 2017.

Since last May, the daily quotas of northbound and southbound trading under Stock Connect have quadrupled, to RMB52 billion and RMB42 billion respectively. As for the mutual recognition of funds between Hong Kong and the Mainland, aggregate net sales totalled RMB9.6 billion as of last November.

We've been blessed, too, with a strategic location, with half the world's population no more than five hours away by air. It helps, too, that our time zone is neatly situated between that of London and New York.

Our location will pay premium dividends in the decades to come, thanks to the Guangdong-Hong Kong-Macao Greater Bay Area – a regional development of national strategic importance consisting of some 70 million population and already a GDP of US\$1.5 trillion. The fast-emerging development as well as the recently commissioned cross-boundary infrastructure have linked Hong Kong to Macao and nine cities in Guangdong Province into a Bay Area that will, over time, rival that of the bay areas of Tokyo and New York in economic might. With the ambition to develop an international innovation and technology hub, our Bay Area has been described by some as combining Silicon Valley with New York City.

Then there's the Belt and Road, an ambitious, multi-dimensional, multilateral initiative highlighting increases in infrastructure, finance, trade and commerce as well as people-to-people bonds. The Belt and Road infrastructure will increase demand for project financing and insurance in managing financial, legal, political and regulatory risks.

Hong Kong is well placed to serve as a premier financial and risk-management centre for the Belt and Road's big-ticket projects. The Hong Kong Monetary Authority's Infrastructure Financing Facilitation Office brings Belt and Road project owners and investors together. And, just last month, our Insurance Authority launched the Belt and Road Insurance Exchange Facilitation platform. This platform is a clearing house for information and assistance. It will help insurance companies make deals with bankers, project managers and others involved in insurance risk for infrastructure projects. In short, Hong Kong has what it takes, and what the Belt and Road needs, to make a palpable difference.

In keeping with this Forum's theme, "Creating a Sustainable and Inclusive Future," the Hong Kong SAR Government also places a high priority in developing our economy on a sustainable basis, and on becoming a regional hub for green finance. Our inaugural government green bond will soon be

issued. It comes with a borrowing ceiling of HK\$100 billion – that's nearly US\$13 billion.

Financial technology is high on our priority as well. We are convinced it will help sustain growth and enhance competitiveness in our financial services sector. And we are moving rapidly to build our fintech industry. At last count, more than 500 fintech companies and start-ups were based here. We are reaching out to fintech partners all over the world – from the Middle East, Europe and South America to Shenzhen, our neighbour in southern China. Indeed, in early November last year, Hong Kong's annual Fintech Week, which attracted more than 8 000 fintech players, became the world's first cross-boundary fintech event, with the final day taking place in the city of Shenzhen.

Last September, we launched our Faster Payment System. It connects banks and stored-value facility operators, enabling real-time credit transfer and direct-debit services between merchants and customers, as well as peer-to-peer transfers through the system. It marked a significant step forward for e-payment in Hong Kong. We'll take another e-giant step soon, with the establishment of virtual banks here. The Hong Kong Monetary Authority is expected to issue its initial batch of virtual bank licences in this quarter. These and other fintech services can only help drive competition, creating value and promoting financial inclusion.

The more immediate vision, certainly for the world at large, is somewhat less grand, as I mentioned at the outset. In recent months, the world economy has been affected by trade friction between the Mainland of China and the United States. Investors are also anxious about the pace of monetary policy normalisation in major economies, as well as Brexit's rocky road, geopolitical conflicts and a good deal more.

Hong Kong, one of the world's most open economies, will inevitably be affected by these and other external factors, particularly those that relate to the Mainland economy. It's why we accord the highest priority to ensuring financial stability and the integrity of our financial systems and markets.

Our linked exchange rate system is rock solid, underpinned by more than US\$400 billion worth of foreign exchange reserves. Our banking system is resilient and well capitalised, with total capital ratio at about 20 per cent, well above international standards. The smooth operation of our capital markets is guaranteed through robust regulatory oversight and a host of contingency measures. Stress tests have and will continue to be conducted to ensure that we are fully prepared for different circumstances. The International Monetary Fund, I'm pleased to note, has just given us a clean bill of health, a vote of confidence in the resilience of our economy, as well as the integrity and reliability of our financial system.

Investor sentiment had been affected, of course. That's evident in the stock market's increased volatility. Nevertheless, our economy grew 3.7 per cent in the first three quarters of 2018. Economic growth for 2018 as a whole is forecast at 3.2 per cent, which is higher than the trend growth rate in

the past decade for the second consecutive year. And our unemployment rate remains at a 20-year low of 2.8 per cent. In short, we are performing as well as can be expected, given the uncertainties of the global economy. No less important, we are prepared for shifting economic and political tides.

The Asian Financial Forum, strategically taking place in the middle of the first month of the new year, is designed to help you plan for contingencies and to help you gather financial and market insights from distinguished speakers and participants from all over the world. For me and members of my delegation attending this year's World Economic Forum at Davos later this month, it helpfully provides a warm-up to a global exchange. I'm sure the Asian Financial Forum, over these two days, will prove invaluable for you and your business and investment strategies. I'm confident, too, that Hong Kong can help you in considering and capturing regional and global opportunities.

I wish you the best of business in 2019. Thank you very much.

