

Speech by FS at “Empowering Regional Growth” Hong Kong-ASEAN AI Collaboration Seminar and Global Headquarters Opening Ceremony of KN Group (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at "Empowering Regional Growth" Hong Kong-ASEAN AI Collaboration Seminar and Global Headquarters Opening Ceremony of KN Group today (October 4):

Ms Sulin Ni (Chairman and Chief Executive Officer of the KN Group), Consuls-General and members of the diplomatic community, friends from Hong Kong and the ASEAN (Association of Southeast Asian Nations) economies, ladies and gentlemen,

Good morning. It is a great pleasure to be with you today at this seminar. A gathering that truly signifies a growing partnership between Hong Kong and ASEAN, a relationship that is vital for our mutual prosperity and shared future.

It is clear that ASEAN is brimming with new opportunities. In 2022, ASEAN's GDP was around US\$3.7 trillion. Collectively, the ASEAN is expected to become the fourth largest economy in the world by 2030.

Home to more than 670 million people, the region's median age is projected to be just 35 years by 2040. This youthful demographic, coupled with robust economic growth and a burgeoning middle class, presents a vast market with immense potential for consumer goods as well as financial services.

However, while ASEAN is rapidly developing, it may take time to build her financial infrastructure and services to the breadth and depth necessary to meet potential demands efficiently.

Rapid advancements in technology, particularly in artificial intelligence (AI), provide us with the tools to address these challenges. The benefits of AI in making financial services smarter and more inclusive have been well articulated by Mr Jiang (Senior Vice President of the KN Group, Mr Jiang Xuan) just now.

Now, let me add that Hong Kong is ideally positioned to support ASEAN economies to accelerate this process.

As one of the world's leading financial centres, Hong Kong is home to over 70 of the top 100 global banks, and seven of the world's top 10

insurance companies. We boast a highly sophisticated capital market, top-class financial infrastructure, and deep regulatory expertise.

But what's more is our vibrant fintech ecosystem: we are home to more than 1 000 fintech firms, and among them, eight virtual banks and four virtual insurance companies. They offer a range of innovative services from digital payment to AI-empowered credit risk profiling.

We are also committed to rising as an international innovation and technology hub, along with sister cities in the Greater Bay Area. AI and big data analytic are one of our key areas of focus.

Crucial to AI are algorithms, supercomputing power, data and application scenarios, all of which Hong Kong is blessed with. We serve as a convergence point for Mainland and international data. We are also investing in the necessary infrastructure, including building a supercomputing centre, which is expected to commence operation later this year. Hong Kong, and the Greater Bay Area together, provide many different application scenarios for AI solutions. In fact, many AI companies are choosing Hong Kong to develop their large language models and to go global.

With the dual strengths in financial services and innovation and technology, Hong Kong is attracting many enterprises to use this city as their strategic base. Indeed, Hong Kong serves as a springboard and "living lab", providing an excellent platform for Mainland companies to expand into the ASEAN market and beyond, and for international firms seeking to enter the Chinese market.

I am pleased to learn that KN Group is one of them. KN Group has chosen to establish their international headquarters, corporate treasury centre, and R&D (research and development) centre in Hong Kong, leasing 8 000 square feet of office space right here to house their business operations. Their decision reflects their confidence in Hong Kong and the vast opportunities ahead.

I am confident that more companies will follow suit, recognising Hong Kong's unique advantages and as an ideal base for business expansion in ASEAN and beyond.

That's certainly good news for Hong Kong, for us all-for a more dynamic innovation ecosystem, for a more vibrant economy, and for the better attraction of talents.

Last but not least, may I wish this seminar a great success, and all of you the best of business and health for you all in the years to come.

Thank you very much.

Business Ready 2024 Report recognised Hong Kong as one of top places to do business

The World Bank Group (WBG) published the first Business Ready 2024 Report (Report) today (October 3). The Report is pilot in nature. Hong Kong is among the top ten performers among 50 economies covered in the Report.

The Report compares the overall performance of economies in terms of their business environment under ten topics (note 1) and three pillars (note 2). For Hong Kong, among the ten topics, the three topics with the highest score are namely "International Trade" (90.77 points), "Business Entry" (85.49 points) and "Utility Services" (77.71 points). Among the three pillars, Hong Kong ranks fifth in "Operational Efficiency" with a score of 78.52 points.

"The Report has given recognition to Hong Kong as an international trading centre with simple and clear regulations in business entry, and also stable and efficient utility infrastructure. Among others, the Report highlights that Hong Kong has few restrictions on international trade in services and implements good practices in terms of information provision and regulations relating to company registration. The Report fully illustrates Hong Kong's role as a 'super-connector' and a 'super value-adder', and as a two-way door in attracting overseas enterprises and assisting Mainland enterprises to 'go global'," a government spokesman said.

"In fact, recent reports issued by various international organisations have clearly affirmed Hong Kong's strength and competitiveness in many aspects. For example, in the World Competitiveness Yearbook 2024 published by the International Institute for Management Development in June, Hong Kong ranked fifth globally, and topped the rankings in two sub-factors of "International trade" and "Business legislation". Hong Kong also ranked among the top three in the competitiveness factor of "Government efficiency". In the latest Global Financial Centres Index recently announced in September, Hong Kong ranked third globally and first in the Asia-Pacific. Hong Kong's scores were rated among the top in "business environment", "human capital", "infrastructure", and "reputational and general," the spokesman added.

"On the other hand, the Report have not reflected some of our elements conducive to a friendly business environment, such as implementing common law, robust rule of law, safeguarding gender equality etc. The Government will continue to maintain close communication with the WBG to explain more comprehensively Hong Kong's situation and our various policies and measures that facilitate the business environment. The Government will also proactively provide feedback for the WBG to improve the methodology and approach of the Report," he added.

The Government will conduct in-depth studies on the Report and continue

to work closely with the business sector and other stakeholders to create a more business-friendly and efficient environment for Hong Kong.

Note 1: The ten topics are "Business Entry", "Business Location", "Utility Services", "Labor", "Financial Services", "International Trade", "Taxation", "Dispute Resolution", "Market Competition" and "Business Insolvency".

Note 2: Including "Regulatory Framework", "Public Services" and "Operational Efficiency"

CFS urges public not to consume batch of prepackaged butternut squash soup imported from UK suspected to contain pieces of metal

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department today (October 3) urged the public not to consume a batch of prepackaged butternut squash soup imported from United Kingdom (UK) as the product might contain pieces of metal. The CFS is following up on the case.

Product details are as follows:

Product name: Smooth Butternut Squash Soup
Brand: M&S
Place of origin: United Kingdom
Pack size: 600 grams
Sole importer: Alf Retail Hong Kong Limited
Use-by date: October 6, 2024

A spokesman for the CFS said, "The CFS, through its Food Incident Surveillance System, has seen notices issued by the Food Standards Agency of the UK and the Food Safety Authority of Ireland that the above-mentioned product may contain pieces of metal, and is being recalled."

Upon learning of the incident, the CFS immediately followed up with major local importers and retailers. A preliminary investigation found that the above-mentioned sole importer had imported the affected product, which was on sale in its chain stores. The importer has already stopped sales, removed from shelves the affected product and initiated a recall. Members of the public may call its hotline at 3656 2253 during office hours for enquiries about the recall.

The CFS will alert the trade to the incident, continue to follow up and take appropriate action. An investigation is ongoing.

Sixth-term Commission on Poverty convenes first meeting, visits To Kwa Wan Community Living Room (with photos)

The Chief Secretary for Administration, Mr Chan Kwok-ki, this afternoon (October 3) chaired the first meeting of the sixth-term Commission on Poverty (CoP) and led members to visit the To Kwa Wan Community Living Room (CLR).

The To Kwa Wan CLR, which officially commenced operation in September 2024, provides a saleable floor area of some 6 900 square feet. It is the largest CLR among the four in operation and the second flagship project under the Pilot Programme after the Sham Shui Po CLR. The implementation of the To Kwa Wan CLR is led by the Government with operating costs supported by the Community Care Fund for engaging an experienced non-governmental organisation (NGO) as operator, while the rental cost of the venue is sponsored by Long Caring of CR Longdation Company Limited, which also shouldered the basic fitting-out works and related costs. The project is truly a reflection of the qualities and strengths of the tripartite collaboration among the Government, the business sector and the community under the current-term Government's targeted poverty alleviation strategy.

During the visit, CoP members were briefed about the additional facilities that the To Kwa Wan CLR offers, including a children's playing and reading corner, physical training facilities, shower rooms, group activities space, health-check devices, a band room and a multimedia room, in addition to the essential facilities such as a shared pantry, dining room, living room, study room for students, and self-service washing machines and dryers. It is expected to serve at least 600 subdivided unit (SDU) households, with about 90 000 attendances a year. Members took the opportunity to have discussions with beneficiary households and were pleased to note that the users complimented the attractive facilities and heartwarming services of the CLR.

As the Chairperson of the CoP, Mr Chan also extended a warm welcome to members of the new term. Mr Chan stated that the current-term Government steadfastly upheld the strategy of targeted poverty alleviation by directing resources to those most in need. He added that he looked forward to working closely with CoP members to implement various targeted poverty alleviation projects catering to the needs of the target groups. At the meeting, members noted the progress and exchanged views on the following items:

(1) Strive and Rise Programme – The Programme has been well-received and gained active support from all quarters since it was launched. The graduation

ceremony for the First Cohort cum inauguration of the Alumni Club of the Programme was held in November last year. The enhanced Second Cohort of the Programme was launched in October last year. Enhancement measures include increasing the number of mentees from 2 800 to 4 000, with an extension to cover Secondary Four students, enriching the variety of group activities (such as organising more Mainland study and exchange tours), and introducing mentorship groups. The number of benefited mentees of the Second Cohort, together with the alumni of the First Cohort of the Programme, was 6 800. It is expected that the total number of student participants who have benefited would double to 12 000 in the 2025/26 school year.

(2) Pilot Programme on CLR – The first project under the Pilot Programme, the Sham Shui Po CLR, has received favourable feedback since its commencement. The Government further launched CLRs in To Kwa Wan, Hung Hom and Nam Cheong, for a period of three years each. The four CLR projects were projected to serve at least 1 750 SDU households, with about 270 000 attendances a year.

(3) School-based After School Care Service Scheme – The scheme was launched in the 2023/24 school year. Fifty-nine primary schools located in Kowloon City, Yau Tsim Mong, Sham Shui Po, Kwun Tong, Kwai Tsing, Tsuen Wan and Yuen Long Districts were recruited in the first year of the scheme. Venues were provided by participating schools and NGOs were engaged to run the scheme, providing nearly 3 000 service places. The scheme has received positive feedback since its launch. The pilot period of the scheme has been extended to the 2024/25 school year, covering all 18 districts in Hong Kong. As of the end of August this year, over 110 primary schools had been recruited for the second year of the scheme.

(4) Care for Elderly Households – In March this year, the Social Welfare Department engaged the District Services and Community Care Teams (Care Teams) in Tsuen Wan and Southern Districts as pilots to identify households with singleton/doubleton elders and carers of elderly persons/persons with disabilities in need through visits or contacts, and referred these cases to social welfare service units for follow-up actions. As of the end of August this year, the Care Teams have visited or contacted over 4 200 households of elderly and carers of elderly persons/persons with disabilities in need, and referred 144 elderly persons and persons with disabilities from 107 households to install emergency alarm systems with subsidies. Subject to the review of the effectiveness of this project, the Government might consider extending the services to other districts.

Members also took note of the relevant government officials' reports on the implementation of the Community Care Fund and the Social Innovation and Entrepreneurship Development Fund, as well as the progress and financial position of various assistance programmes of relevant funds.

Mr Chan said that the Government, jointly with the CoP, would continue to unite the forces of the Government, the business sector and the community to implement various targeted poverty alleviation projects to support the targeted groups, with a view to building a caring and inclusive community.



Ombudsman highly concerned about recent incidents of road subsidence

The following is issued on behalf of the Office of The Ombudsman:

The Ombudsman, Mr Jack Chan, today (October 3) expressed concern about recent incidents of road subsidence, which have not only caused inconvenience to commuters, but have also posed a safety threat. In view of the wide public concern over road subsidence incidents, the Office of The Ombudsman will closely monitor developments and collect further information on this topic. Where necessary, the Office will conduct a preliminary inquiry to consider any need to launch a direct investigation operation, thereby examining this topic in detail and making proper recommendations for improvements to prevent a recurrence of similar incidents.

Road subsidence can be caused by the loss of underground soil and water, damage to underground pipes (such as water mains and drainage pipes) or improper handling of road foundation works.

On September 29, the bursting of an underground water pipe resulted in road subsidence on the Mong Kok-bound lanes off 880 Lai Chi Kok Road. During the incident, a taxi plunged into a sinkhole, causing its driver to feel unwell and require a medical examination. The Office expresses concern for

the driver and passenger affected by the incident.

The Office noted that after the abovementioned incident, the Water Supplies Department (WSD) took immediate action to urgently repair the damaged pipework facilities underneath Lai Chi Kok Road, resulting in all Mong Kok-bound lanes reopening the following day. The WSD also completed ground penetration radar detections on the Tsuen Wan-bound fast lane of Lai Chi Kok Road to ensure public safety.

As regards the earlier incidents of road subsidence, relevant government departments including the WSD, the Drainage Services Department and the Highways Department carried out urgent repairs and investigations after the incidents.