

Speech by CE at Investment Forum and Publication Ceremony of Research Report on Central and Eastern European Economy (English only)(with photos)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Investment Forum and Publication Ceremony of Research Report on Central and Eastern European (CEE) Economy today (June 11):

Dr Jiang (Chairman, SINO-CEEF Capital Management Company Limited, Dr Jiang Jianqing), Commissioner Xie (Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region (HKSAR), Mr Xie Feng), Ms Qiu (Deputy Director of the Liaison Office of the Central People's Government in the HKSAR, Ms Qiu Hong), distinguished guests, ladies and gentlemen,

It is my great pleasure to join you all today for the 2018 Sino-CEE Fund Investment Forum. I would like to first express my appreciation to the organiser for hosting this event in Hong Kong, and extend to you my warmest welcome, particularly those visiting from abroad.

When Dr Jiang came to meet with me to talk about this forum, I am sure he was a bit surprised that an official from Hong Kong has been to so many CEE countries. Not many people remember now I had been working in London for 18 months, and during those 18 months, my portfolio covered the entire Central and Eastern European region, so I had been to many of these Central and Eastern European countries. And by the way, during my tenure in London, the Honourable Gordon Brown was the Chancellor of the Exchequer. So I am pretty personally attached to the CEE region. As I told Dr Jiang, I said there was huge potential in these countries that is waiting to be tapped.

Hong Kong thrives on trade and finance in an inter-connected world. We have long established ourselves as an ideal hub to pool talents and wealth from around the world in serving a wide spectrum of purposes, be it an exchange of ideas like ours at this very moment, or in search of business and investment opportunities, just as how the Sino-CEE Fund manager (i.e. SINO-CEEF Capital Management Company) is doing here right in Hong Kong. Leveraging on our strategic location, as well as our unparalleled expertise in professional and financial services, we are uniquely positioned and well endowed to help promote multilateral economic co-operation and contribute to our national development strategies.

Unveiled by President Xi Jinping as "the project of the century" in 2013, the Belt and Road Initiative is a visionary master plan to propel and sustain global economic growth. Since its inception five years ago, it has evolved from a vision into reality with tangible outcomes. China has signed co-operation agreements with over 70 countries and international

organisations to foster collaboration in taking forward the Initiative. And Hong Kong is proud to participate in this nationwide development blueprint by entering into an arrangement with the National Development and Reform Commission last December on advancing our full participation in the Initiative. In fact, a team of HKSAR Government officials led by my colleague, the Secretary for Justice, is now on the way to Beijing to attend the first meeting of the liaison mechanism under this Arrangement.

The Arrangement attests to the strengths and niches of Hong Kong. As an international financial centre and a global hub for trade and commerce, Hong Kong possesses in abundance the expertise and experience in trade facilitation, infrastructural financing as well as providing professional services in the wealth creation process under the Initiative. The growth momentum of the Mainland, coupled with the opportunities in the Belt and Road countries, bestows on Hong Kong the honour and also the duty to play a pivotal role in the further development of the Initiative. We will strive to maximise our potential under "One Country, Two Systems" and seize every opportunity for economic growth, with the ultimate goal of achieving mutually complimentary and co-ordinated development between the Mainland and Hong Kong.

Under the Arrangement, there are six key areas where Hong Kong excels and can make important contribution in the national context, and they are finance and investment; infrastructure and maritime services; economic and trade facilitation; people-to-people bonds; taking forward the Guangdong-Hong Kong-Macao Bay Area development; and enhancing collaboration in project interfacing and dispute resolution services. While I'm more than excited to walk you through the conducive measures one by one, in the interest of time, just allow me to highlight a few on finance and investment to offer you a glimpse of the Arrangement implementation so far.

Infrastructure development and investment is the cornerstone in enhancing connectivity under the Belt and Road Initiative. According to the estimates of the Asian Development Bank, infrastructure investment of as much as US\$1.7 trillion per year will be needed until 2030 in Asia alone. The magnitude will be even higher for the entire Belt and Road region. To address these huge financing needs, multiple frameworks of public financing mechanisms have been put in place, including the Asian Infrastructure Investment Bank, AIIB, and the Silk Road Fund. Apart from public investment, it is also critical to draw in private sector investment and financing to bridge the substantial funding gap.

To foster public-private partnership and collaboration, the Hong Kong Monetary Authority has set up the Infrastructure Financing Facilitation Office with a view to facilitating infrastructure investments and their financing through working with a cluster of key stakeholders. Since its establishment in July 2016, over 80 organisations from the Mainland, Hong Kong and overseas, including multilateral financial agencies and development banks, asset managers, commercial banks, insurance companies, project developers and operators, as well as professional service firms and international business council, have joined the platform as partners. Last September, the Hong Kong Monetary Authority signed an agreement with the

International Finance Corporation (IFC), committing US\$1 billion to the innovative Managed Co-Lending Portfolio Program which is a debt mobilisation platform for emerging markets. Our support to the IFC in financing projects across more than 100 countries, ranging from infrastructure, telecom to agri-business and services, could serve as a catalyst for attracting private sector capital into infrastructure investment and financing.

As much pride as we take in being a leading international asset management, risk management and corporate treasury centre, we are determined to up the game in developing a more conducive environment with a variety and diversity of financing channels for businesses to set foot in Hong Kong. Apart from a clear statement laying down the pathway for infrastructure project companies to achieve listing in Hong Kong, we are also making an effort in spurring the development of our bond market. For instance, our recent launch of the Pilot Bond Grant Scheme offers grants to first-time issuers in Hong Kong to cover part of their issuance expenses. Reciprocally for investors, tax concessions for qualifying debt instruments will also be enhanced to encourage their participation in the bond market. In tandem, half-rate profits tax concessions for corporate treasury centres, as well as professional reinsurers and captive insurers will be further extended. I would also like to take this opportunity to announce an upcoming launch of the Belt and Road Insurance Facilitation Platform to facilitate insurance and reinsurance placements and services for projects or investments along the Belt and Road route. Looking ahead, we will continue to keep ourselves busy in greasing the wheels for this long journey to deliver on our full commitment in the Arrangement.

With strengthening economic and trade connectivity between the Mainland and the Belt and Road economies, RMB will be increasingly used in bilateral trade and investment in the region. Hong Kong's status as the largest offshore RMB centre, with 70 per cent of offshore RMB settlement taking place in Hong Kong as well as having the largest RQFII quota in the world, will be of paramount importance in this process of Renminbi internationalisation. We will continue to closely engage the industry and relevant Mainland authorities to explore expansion of the channels for two-way flow of cross-border RMB funds and promote further mutual market access arrangements between the two places.

Following the G20's call for scaling up green finance under China's presidency in 2016, a green, healthy, intelligent and peaceful Silk Road has since been reinvented to bring the concept of green finance and sustainable infrastructure into the mainstream. We envisage an increasing role for our capital markets to finance green projects, serving the needs of both the Mainland and economies along the Belt and Road. Action speaks louder than words. Having received favourable market response on our first local Green Finance Certification Scheme since its inception earlier in January, we will soon be establishing a Green Bond Grant Scheme to subsidise the costs issuers incurred in obtaining certification under our local Scheme. In addition, a Government Green Bond Programme with a borrowing ceiling of HK\$100 billion will soon be launched to jump-start market development. We are encouraged to become the preferred location for the issuance of green bonds by a multitude

of local, Mainland and overseas enterprises, as well as international organisations such as the Asian Development Bank, the World Bank and the European Investment Bank.

The ancient Silk Road was the epitome of human wisdom, perseverance and solidarity. Following the footsteps of our great ancestors along the ancient Silk Road, we're about to make our mark in pursuing the modern-day Belt and Road Initiative. As the saying goes, the journey of a thousand miles begins with a single step. This echoes well with today's theme of "investing for mutual benefits, collaborating for progress". I look forward to the informative economic research findings on Sino-CEE relations and the enlightening roundtable discussion coming up next. May this bring about our more frequent and closer collaboration in one way or another in the coming future.

Last but not least, before leaving the floor to Dr Jiang on our much anticipated keynote speech by him on Sino-CEE financial and investment strategies in the context of the Initiative, allow me to do a little promo on our upcoming annual Belt and Road Summit to be held on June 28 under the theme of "Collaborate for Success". We hope to see some of you at this international event in Hong Kong.

Thank you very much!



Man holding charged with manslaughter

Police today (June 11) laid a holding charge against a 74-year-old man with one count of manslaughter.

The man was arrested yesterday (June 10) in suspected connection with a manslaughter case in Sha Tin on June 9 in which a 76-year-old man died.

The case will be mentioned at Shatin Magistrates' Courts tomorrow (June 12).

SHA visits Yau Tsim Mong District

The Secretary for Home Affairs, Mr Lau Kong-wah, visited Yau Tsim Mong District this afternoon (June 11) to call on cultural and sports associations and inspect works projects in the district. He also exchanged views with Yau Tsim Mong District Council (YTMDC) members.

Accompanied by the Chairman of the YTMDC, Mr Chris Ip, and the District Officer (Yau Tsim Mong), Mrs Laura Aron, Mr Lau first visited the Yau Ma Tei and Tsim Sha Tsui Culture and Arts Association to learn about its services and admire its members' paintings and calligraphy. Established in 1981, the association aims to promote culture and arts development by organising various cultural activities, helping to bring arts into the community.

Mr Lau then visited the site for the Hoi Ting Road Joint User Complex in Tai Kok Tsui, and was briefed by representatives from the Leisure and Cultural Services Department on the design of the complex and the progress of the project. The complex will have various facilities including a sports centre, swimming pools and a community hall.

Mr Lau then toured the Soy Street pedestrian subway to inspect the mini-block pictures and wall sticker beautification work at the entrances of the subway. The mini-block pictures are the winning entries of a subway beautification competition, which aimed to promote the signature project Yau Tsim Mong Multicultural Activity Centre of the district. The wall sticker beautification work is a district minor works project of the district.

Mr Lau then visited the Mong Kok District Cultural, Recreational and Sports Association Lim Por Yen Centre. He toured the facilities in the centre and met with the Youth Health Ambassadors of the Yau Tsim Mong Healthy City Executive Committee.

Before concluding his visit, Mr Lau met with YTMDC members to exchange views on district issues.



[LegCo continues to consider Guangzhou-Shenzhen-Hong Kong Express Rail Link \(Co-location\) Bill](#)

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council (LegCo) will hold a meeting on Wednesday (June 13) at 11.30 am (or immediately after the meeting for the Chief Executive's Question Time to be held at 11am) in the Chamber of the LegCo Complex. During the meeting, Members will continue to consider the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Co-location) Bill. If the Bill is supported by Members and receives its Second Reading, it will stand committed to the committee of the whole Council. After the committee of the whole Council has completed consideration of the Bill and its report is adopted by the Council, the Bill will be set down for the Third Reading.

The Inland Revenue (Amendment) (No. 5) Bill 2018 will be introduced into the Council for the First Reading and the Second Reading. The Second Reading debate on the Bill will be adjourned.

On Members' motions, Mr Leung Che-cheung will move a motion on cross-boundary elderly care. The motion states: "That, all along, quite a number of elderly persons in Hong Kong have chosen to spend their twilight years on the Mainland, but the current cross-boundary portability arrangements for welfare benefits made by the SAR Government have a very narrow scope, benefiting only eligible elderly persons who are receiving the Comprehensive Social Security Assistance payments or the Old Age Allowance and have moved to reside in Guangdong or Fujian Province on the Mainland; to facilitate more elderly persons in spending their twilight years on the Mainland, this Council urges the SAR Government to:

- (1) extend the arrangements of the Guangdong Scheme and the Fujian Scheme to other provinces on the Mainland;
- (2) introduce cross-boundary portability arrangements for the Old Age Living Allowance to support eligible elderly persons who are receiving the allowance and have moved to the Mainland;
- (3) abolish the existing absence limit for various welfare benefits under the Social Security Allowance Scheme, and conduct a study on developing an identity verification system with the relevant Mainland departments to obviate the need for elderly persons who have moved to the Mainland to return to Hong Kong for making applications for continuous collection of such benefits on a yearly basis;
- (4) introduce cross-boundary portability arrangements for the Disability Allowance such that eligible elderly persons with disabilities aged 65 or above can choose to reside on the Mainland;
- (5) optimise the existing Pilot Residential Care Services Scheme in Guangdong by, for example, purchasing residential care places for persons with disabilities from Mainland residential care homes, and purchasing more quality residential care places for the elderly in various major cities on the Mainland, as well as providing needy elderly persons who choose to reside on the Mainland with one-stop escort arrangements for travelling to and from Hong Kong;
- (6) conduct a study on the implementation of a scheme for the transfer of medical records of Hong Kong residents under which, with the consent of the elderly persons who have moved to the Mainland, their medical records will be transferred to designated Mainland hospitals so that they can seek medical consultation conveniently;
- (7) conduct a study on extending the scope of application of Hong Kong's Health Care Vouchers to cover major hospitals and clinics on the Mainland, with a view to alleviating the burden of medical expenses on elderly persons who have moved to the Mainland;
- (8) by drawing reference from the model of the University of Hong Kong-Shenzhen Hospital, co-establish hospitals in major Mainland cities by Hong Kong and the Mainland and adopt Hong Kong-style management to jointly provide quality healthcare services to elderly persons who have moved to the

Mainland; and

(9) by drawing reference from the Pilot Scheme on Community Care Service Voucher for the Elderly, conduct a study on providing elderly persons who have moved to the Mainland with support services for ageing in place."

Dr Priscilla Leung, Mr Wong Kwok-kin and Mr Alvin Yeung will move separate amendments to Mr Leung Che-cheung's motion.

Mr Ma Fung-kwok will move a motion on developing venues and creating room to support the development of local culture, arts, recreation and sports. The motion states: "That the lack of venues and room has all along been plaguing local cultural, arts and sports groups, and it is also an important barrier to the development of local culture, recreation and sports; in this connection, this Council urges the Government to take every possible means to create more venues and room for the local cultural, arts and sports sector, so as to promote further development of local culture, arts and sports; the relevant measures include:

(1) building more cultural venues and sports facilities, and expeditiously implementing the outstanding leisure and cultural services projects of the former municipal councils;

(2) reviewing the policy on industrial buildings and updating the definition of 'use of industrial buildings', so that cultural, arts and sports groups can operate in industrial buildings in a sensible, reasonable and lawful manner, and ensuring that future policies proposed on revitalising industrial buildings will be able to cater to the development needs of such groups and safeguard their room for survival;

(3) making better use of vacant school premises and vacant sites for cultural, arts or sports purposes;

(4) opening up more public spaces for cultural and arts purposes;

(5) enhancing the Opening up School Facilities for Promotion of Sports Development Scheme, including providing more assistance to schools that open up their school facilities, and extending the scheme to make it accessible by cultural and arts groups;

(6) enhancing the leasing policy for government venues to make such venues available for full utilisation by cultural, arts and sports groups, and curbing the recurrence of touting activities; and

(7) stipulating in the land lease covenants of suitable new development projects that developers should set aside space to develop certain cultural and arts facilities that have been compressed by market and business factors, such as performance venues and bookshops."

Mrs Regina Ip, Ms Tanya Chan, Mr Lau Kwok-fan and Mr Au Nok-hin will move separate amendments to Mr Ma Fung-kwok's motion.

Meanwhile, Mr Dennis Kwok, Dr Kwok Ka-ki, Mr Cheung Kwok-kwan, Mr Holden

Chow and Mr Charles Mok will each move a proposed resolution under section 34(4) of the Interpretation and General Clauses Ordinance.

Mr Dennis Kwok will move a proposed resolution to extend the period for amending the Practising Certificate (Solicitors) (Amendment) Rules 2018, laid on the table of the Council on May 16, 2018, to the meeting of July 4, 2018.

Dr Kwok Ka-ki will move a proposed resolution to extend the period for amending the Smoking (Public Health) Ordinance (Amendment of Schedule 2) Order 2018, laid on the table of the Council on May 16, 2018, to the meeting of July 4, 2018.

Mr Cheung Kwok-kwan will move a proposed resolution to extend the period for amending the Securities and Futures (Amendment) Ordinance 2016 (Commencement) Notice, the Securities and Futures (Open-ended Fund Companies) Rules and the Securities and Futures (Open-ended Fund Companies) (Fees) Regulation, laid on the table of the Council on May 23, 2018, to the meeting of July 11, 2018.

Mr Holden Chow will move a proposed resolution to extend the period for amending the Securities and Futures (Professional Investor) (Amendment) Rules 2018, laid on the table of the Council on May 23, 2018, to the meeting of July 11, 2018.

Mr Charles Mok will move a proposed resolution to extend the period for amending the Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2018, the Telecommunications (Level of Spectrum Utilization Fees) (Second Generation Mobile Services) (Amendment) Regulation 2018, the Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2018 and the Telecommunications (Method for Determining Spectrum Utilization Fee) (Administratively Assigned Spectrum in the 1800 MHz Band) Regulation, laid on the table of the Council on May 23, 2018, to the meeting of July 11, 2018.

Members will also ask the Government 22 questions on various policy areas, six of which require oral replies.

The agenda of the above meeting can be obtained via the LegCo Website (www.legco.gov.hk). Please note that the agenda is subject to change, and the latest information about the agenda could be found on the LegCo Website.

Members of the public are welcome to observe the proceedings of the meeting from the public galleries of the Chamber of the LegCo Complex. They may reserve seats by calling 3919 3399 during office hours. Members of the public can also watch or listen to the meeting via the "Webcast" system on the LegCo Website.

Phishing e-mail related to Industrial and Commercial Bank of China Limited, Hong Kong Branch

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by Industrial and Commercial Bank of China Limited, Hong Kong Branch on phishing e-mail, which has been reported to the HKMA. Hyperlink to the press release is available on [the HKMA website](#) for ease of reference by members of the public.

Anyone who has provided his or her personal information to the e-mail concerned or has conducted any financial transactions through the e-mail should contact the bank concerned using the contact information provided in the press release, and report to the Police or contact the Cyber Security and Technology Crime Bureau of the Hong Kong Police Force at 2860 5012.