

# FS forges closer co-operation between Hong Kong and Ireland (with photos)

The Financial Secretary, Mr Paul Chan, today (May 31, Dublin time) commenced his three-day visit in Dublin to foster closer economic co-operation between Hong Kong and Ireland.

He began his visit by meeting a group of Irish Fintech companies already operating in Hong Kong or looking to establish offices in Hong Kong. He updated them on the city's latest efforts to support Fintech development and encouraged them to make good use of Hong Kong's platform in expanding their operations in Hong Kong, the Mainland of China and Asia.

He then attended a gathering with Hong Kong people living in Dublin to learn more about their daily lives and work.

In the afternoon, Mr Chan addressed the "Routes to Growth: Creating Opportunities Between Hong Kong and Ireland as Financial Services & Aviation Hubs" seminar organised by Invest Hong Kong and Enterprise Ireland, and introduced Hong Kong's latest development in Fintech and aircraft leasing business. Also attending the seminar was the Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection of Ireland, Mr Pat Breen.

Speaking at the seminar, Mr Chan said that Hong Kong has been serving as the unique gateway connecting international investors and the vast market in the Mainland of China for decades. Hong Kong's ever-deepening economic integration with the Mainland would create more opportunities that are available to no one else, including the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area development. Hong Kong and Ireland can step up collaboration in the areas of Fintech and aircraft leasing, and work together in capitalising the massive opportunities ahead.

It was followed by a meeting with the Irish Funds Industry Association (IFIA), during which he was briefed on the latest development of funds industry in Ireland. With over 130 companies, 14 000 funds and 16 000 funds industry professionals, IFIA is the representative body for the international investment funds community in Ireland.

He then met with the Governor of the Central Bank of Ireland, Mr Philip Lane. They exchanged views on global economic outlook and shared experience in maintaining financial stability.

In the evening, joined by the Minister of State at the Department of Finance and the Department of Public Expenditure and Reform of Ireland, Mr Michael D'Arcy, Mr Chan attended a cocktail reception and dinner to mark the launch in June of direct flights between Hong Kong and Dublin. He said the direct flights would further strengthen the close ties between Hong Kong and Ireland on trade, tourism and cultural fronts.

Tomorrow (June 1, Dublin time), Mr Chan will continue his visit and will meet officials of the Irish Government and representatives of the banking and business sectors.



---

[Speech by FS at Cathay Pacific Dublin](#)

# inaugural flight gala cocktail reception (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at Cathay Pacific Dublin inaugural flight gala cocktail reception in Dublin, Ireland today (May 31, Dublin time):

Minister D'Arcy (Minister of State, Department of Finance, Ireland, Mr Michael William D'Arcy), Consul General Ryan (Consul General of Ireland to Hong Kong & Macau, Mr Peter Ryan), Rupert (Chief Executive Officer of Cathay Pacific, Mr Rupert Hogg), distinguished Guests, ladies and gentlemen,

Good evening.

I'm delighted to be here tonight, in this enchanting historic castle and in Dublin, a charming and witty city of timeless music, literature, and of course, the legendary Irish pubs.

And this characterful capital of Ireland is now going to be much closer to Hong Kong thanks to the launch of Cathay Pacific Airways' direct service between Hong Kong and Dublin. I am confident that this seamless connection by one of the best airlines in the world will strengthen trade and tourism between us and foster closer ties on all fronts – which is also the primary aim of my visit to Dublin.

It helps that Hong Kong and Dublin have much in common.

Dublin Airport, where I landed this morning, is a major gateway to North America. As for Hong Kong, we are the gateway to Mainland China and Southeast Asia, a critical transit hub for business and leisure travellers moving in and out of China, the rest of Asia and around the world.

Half the world's population can be reached from Hong Kong within five hours' flight time. More than 100 airlines offer 1,100 flights every day, connecting Hong Kong with over 220 destinations, including about 50 cities in Mainland China.

With our extensive global connections and well-developed intermodal transport infrastructure, our airport is the world's busiest cargo hub for the eighth consecutive year and the third-busiest international passenger airport.

Looking ahead, as Dublin Airport builds its North Runway, we are also adding a new one to ours. On completion of the three-runway system, the Hong Kong International Airport can handle about 100 million passengers and nine million tonnes of cargo a year.

Aviation aside, both Hong Kong and Dublin are thriving financial capitals and much potential is awaiting us.

Ladies and gentlemen, with the enhanced connectivity between Dublin and Hong Kong, I welcome Irish companies, big and small, start-ups and well-established ones, to join us, to take advantage of the opportunities Hong Kong can help realise, in the Mainland and throughout the Asian region.

Thanks to the direct flights between Hong Kong and Dublin, those opportunities are now much closer to being realised.

I wish Cathay Pacific Airways every success with its new service to Dublin, the Emerald Isle's charismatic capital.

Thank you and I wish you a very pleasant evening.

---

## **Speech by FS at seminar on Routes to Growth: Creating Opportunities Between Hong Kong and Ireland as Financial Services & Aviation Hubs (English only)**

Following is the speech by the Financial Secretary, Mr Paul Chan, at a seminar on the Routes to Growth: Creating Opportunities Between Hong Kong and Ireland as Financial Services & Aviation Hubs in Dublin, Ireland today (May 31, Dublin time):

Minister Pat Breen (Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection of Ireland), Consul General Ryan (Peter Ryan, Consul General of Ireland to Hong Kong & Macau), Rupert (Rupert Hogg, Chief Executive Officer of Cathay Pacific), distinguished guests, ladies and gentlemen,

Good afternoon.

It's a pleasure to be here in Dublin again. It must have been some ten years ago when I last visited this beautiful city for a conference. Now with direct flights between Hong Kong and Dublin to be launched in just two days, I keenly see myself as a potential frequent traveler to Ireland in future!

The four-times-a-week service will surely speed the growing ties between us. Tourism is certain to be a big winner.

But allow me, this afternoon, to focus on two areas – financial technology and aviation, in keeping with the theme of today's seminar.

Financial technology, or Fintech, is very much a given for Hong Kong. After all, we are one of the world's leading financial centres, and financial services have long been our core strength. Of course, you need not take this Financial Secretary's word on that.

In March, the Global Financial Centres Index ranked Hong Kong third, behind only London and New York among the world's major financial centres. Hong Kong topped the world in the Index's "Human Capital" category.

International financial and investment companies trust Hong Kong not only because of our professional services expertise, but because of our common law system and the fine tradition of rule of law, our free and open market, our low and competitive tax regime, as well as our robust and transparent institutional framework.

With 75 out of the world's top 100 banks operating in Hong Kong, we are Asia's second largest banking centre, second only to Japan. We are also Asia's leading asset-management centre as well. Besides, we are the world's largest offshore Renminbi business hub, handling 70 per cent of global offshore Renminbi payments.

Hong Kong's stock market capitalisation rings in at more than US\$4 trillion. And in terms of funds raised through initial public offerings, the Hong Kong Stock Exchange has topped the world in five of the past nine years. Last year, we raised some US\$16.5 billion.

In order to further boost the competitiveness of Hong Kong's listing platform and reinforce our status as a premier capital-formation centre, we have recently launched a new listing regime that permits the listing of pre-revenue biotech issuers as well as companies from emerging and innovative sectors with weighted voting right structures. We have also established a new concessionary secondary listing route for Greater China and international companies that wish to secondary list in Hong Kong.

Meanwhile, we are also rolling out measures to develop Hong Kong into a hub for green finance and bond issuance.

While we are fully committed to consolidating our advantages in financial services, Hong Kong is actively embracing innovation and technology as the new impetus for economic growth.

Following the establishment of the Innovation and Technology Bureau some two years ago, more than US\$10 billion has been allocated to upgrade technological infrastructure, build a vibrant ecosystem for startups, and pool and nurture more technology talent in Hong Kong. We are focusing on four areas: biotechnology, artificial intelligence, smart city, and of course, Fintech.

It helps that Hong Kong boasts world-class information and communication technology infrastructure, with the largest data centre cluster in the Asia-Pacific region. Our internet connection speed is among the world's fastest,



and our mobile penetration rate, at 247 per cent, is among the highest anywhere – certainly on this planet.

According to Compass, a San Francisco-based research firm, Hong Kong is among the world's five fastest-growing start-up centres.

Fintech start-ups, and the Fintech community, are definitely blossoming in Hong Kong in recent years. Cyberport, Hong Kong's ICT flagship, now houses more than 250 Fintech companies that are engaged in a wide range of applied research and development, from cybersecurity, payment and remittance to robo-advisory in wealth management and insurance.

World-renowned innovation laboratories and accelerator programmes, such as "Accenture Fintech Innovation Lab" and "Supercharger Fintech Accelerator", have established their presence in Hong Kong. Together with the countless incubation and mentorships programmes, hackathons and Fintech competitions organised by universities and technology companies, the Fintech ecology has been increasingly vibrant in Hong Kong.

Our financial regulators are also facilitating Fintech applications with their dedicated liaison platforms and supervisory sandboxes, which allow financial institutions and Fintech companies to conduct pilot trials on Fintech solutions in a confined environment.

With such an enabling environment, investment in Hong Kong-based Fintech companies increased to US\$546 million in 2017. In the period from 2014 to 2017, Fintech companies based in Hong Kong have raised a total of US\$940 million, which is almost three times of that raised by Singapore.

It's also attracting a world of attention. Ireland very much included.

Last year, Irish payment company Stripe launched in Hong Kong. And Fexco, one of your leading Fintech players, also operates out of Hong Kong. And Global Shares, Ireland's fintech company of the year in 2017, set up its first Asian base in January – in Hong Kong, of course.

Join them, join us, in Hong Kong, where the future of Fintech is being built. I am glad to note that Enterprise Ireland has posted a dedicated person in Hong Kong to look after its financial services for the APEC region. And InvestHK's dedicated Fintech team would be more than happy to assist Irish Fintech firms to set foot in Hong Kong, as well as the Mainland of China and Asian region.

For decades, Hong Kong has been serving as the unique gateway connecting international investors and the vast market in the Mainland of China. And our ever-deepening economic integration with our motherland creates opportunities for us that are available to no one else. Those opportunities include the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area development.

The latter, a city cluster counting nine Guangdong cities, along with

Hong Kong and Macau, counts a combined population of 68 million and a collective GDP worth US\$1.5 trillion. That GDP, ladies and gentlemen, is comparable to that of Australia or Korea.

The Bay Area has all it takes to become the international innovation and technology hub of China. The deepening collaboration among the cities in the Bay Area will enable us leverage the synergies of the world-class financial and professional services of Hong Kong, the vibrant tech business sector in Shenzhen, as well as the advanced manufacturing in other cities in Guangdong Province.

Again, our connection with China will make a palpable difference, given that the Mainland is a global leader in Fintech. And that some of the major Fintech companies in the Mainland are based in the Bay Area, where our financial services acumen will surely play an instrumental role.

Ladies and Gentlemen, Hong Kong is taking off, too, in aircraft leasing, along with the soaring civil aviation and aircraft market in Asia and in particular, the Mainland of China.

Over the next two decades, global aviation passengers are expected to grow at about five per cent per annum while passengers in the Asia Pacific region at about six per cent per annum. The number of new aircraft delivered worldwide are estimated at over 41 000 with a value of about US\$6.1 trillion, of which 16 000, valued at US\$2.5 trillion, will be in the Asia Pacific Region.

And Mainland airlines will need about 6 000 new aircraft between 2012 and 2032, accounting for over 40 per cent of the forecasted delivery to the Asia Pacific region.

Ireland is the fast-beating heart of the global aircraft leasing business. I invite Ireland, and Irish expertise in aircraft leasing, to look to Hong Kong as your trusted partner in Asia, in capitalising the massive and long-term opportunities ahead.

Last July, we amended our law to create a dedicated tax regime for aircraft leasing in Hong Kong.

Put simply, the profits tax rate has been cut in half, from 16.5 per cent to 8.25 per cent.

Since the introduction of the new tax regime, we are excited to see the aircraft leasing business has started to flourish in Hong Kong. Last December, ICBC Financial Leasing Company concluded the first Hong Kong-based cross-border aircraft leasing transaction to Korea under the new regime. Most recently, a Hong Kong aircraft lessor has committed to buy eight aircraft and will use its Hong Kong aircraft leasing platform to lease the aircraft to airlines in Indonesia, Qatar and Mainland China. A number of deals involving leasing of aircraft from Hong Kong to airlines in Japan and Russia are in the pipeline.

In terms of aircraft leasing, there is so much that Hong Kong and Ireland can work and accomplish together. And together, we can soar.

You will hear more about Hong Kong's advantages from Mr Stanley Hui, the President of the Hong Kong Aircraft Leasing and Aviation Finance Association, in the upcoming panel session.

My sincere thanks to Enterprise Ireland and InvestHK for organising today's invaluable seminar, and to Cathay Pacific for sponsoring it.

Ladies and Gentlemen, I know you will enjoy the panel discussions on Fintech and aircraft leasing.

And I look forward to welcoming you to Hong Kong and to returning soon to Dublin – on a castles-and-pubs holiday.

Thank you.

---

## **Correctional Services Department** **maintains order of institution**

Forty-three male persons in custody of Pik Uk Prison refused to consume meal this morning (May 31) due to dissatisfaction towards their request relating to work arrangement being rejected by the institution management. According to intelligence, some persons in custody incited fellow persons in custody to engage in collective behaviour with a view to acting against the institution management. The Correctional Services Department maintains order of institution (CSD) deployed other reinforcements to Pik Uk Prison the same day to search targets and various locations. During the incident, three persons in custody suspected of inciting others to engage in collective behaviour are being removed from association and put under investigation.

After advice and warning given by the institution management, the persons in custody concerned have resumed consuming meal. The present atmosphere at Pik Uk Prison is stable. The CSD will continue to closely monitor the development and the persons in custody concerned.

Pik Uk Prison is a minimum security prison for the detention of male adult persons in custody.

---



# Government responds to recent media reports on works at expanded Hung Hom Station under the Shatin to Central Link Project

Regarding the media reports in the past two days about the works at the expanded Hung Hom Station under the Shatin to Central Link (SCL) project that have aroused public concern over the quality of works at the Hung Hom Station under the contract no. 1112, the Transport and Housing Bureau and the Highways Department (HyD) are very concerned about the incident and the HyD has taken immediate follow-up actions.

After learning of the incident, the staff of the HyD and its Monitoring and Verification (M&V) Consultant carried out an on-site inspection at the Hung Hom Station on May 30, including inspecting the condition of the construction works and checking the inspection records of the MTR Corporation Limited (MTRCL). No serious crack or water leakage in the concrete structures was observed during the site inspection on that day.

The Director of Highways (DHy), Mr Daniel Chung, met the senior officers of the MTRCL today (May 31) reiterating HyD's grave concern over the incident and pointing out that MTRCL, being the project manager under the Entrustment Agreement of the SCL project, has the responsibility to ensure the quality of works meets the relevant requirements. The DHy required the MTRCL to submit an incident report within a week. In addition, in order to ease the public concern, the DHy also required the MTRCL to arrange an independent third-party expert to carry out load test as soon as possible and to provide HyD with a test report in order to ensure that the structures can sustain the design loads.

The works under the SCL project are still on-going. Upon the completion of works, the MTRCL shall submit the certification of completion of works and relevant documents to the Government. In addition, the HyD, its M&V Consultant and the relevant government departments will take part in the inspection for completion of works conducted by the MTRCL before the relevant works are handed over to the Government.