

SFST's speech at LME Asia Metals Seminar 2021 (English only)

Following is the speech by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, at the LME Asia Metals Seminar 2021 today (May 25):

Distinguished guests, ladies and gentlemen,

Good morning. It is my great pleasure to be here with all of you today to participate in this LME Asia Metals Seminar.

As an alum of HKEX (Hong Kong Exchanges and Clearing Limited), I feel a strong sense of homecoming and also a big welcome to Gucho (Chief Executive Officer of HKEX, Mr Nicolas Aguzin) for joining this big family.

If I ask around as to what is on your mind right now, I suppose the big word, apart from "vacation", which I will come back on later, is "pandemic". So I would like to take this opportunity to share with you what I think are the three key lessons that we can draw from this pandemic, which are resilience, digitalisation and sustainable development.

Not only has the pandemic changed our ways of life and work as highlighted by Laura (Chairman of HKEX, Mrs Laura Cha) just now, it has also changed how trading is being conducted in the LME (London Metal Exchange). As a response to the guidance issued by the UK Government, LME Ring trading activity now remains suspended. While open outcry in the Ring is a long-standing tradition of the LME, LMEselect as an electronic platform has proven to be reliable, and it has also assumed the role of determining official and closing prices.

As commodities also involve the complexities of warehousing and physical delivery, the LME and the metals industry have worked together to ensure orderly and stable operation of the metals supply chains. These efforts should indeed be applauded and in a crisis as disruptive as the one that we are now facing, resilience can truly be demonstrated.

Back to Hong Kong where we are now, our financial markets have also weathered the storm and are performing exceptionally well. On the listed equity side, funds raised through IPO were more than US\$17 billion in the first quarter of this year, more than nine times compared to the same period of 2020. At a broader scale on the monetary side, we have witnessed the inflow of close to US\$50 billion since the second quarter of last year and our foreign reserves now stand at 1.8 times of the HK-dollar monetary base.

On a more daily basis, the average daily turnover of our equity market in the first quarter reached over US\$28 billion, up 86 per cent year-on-year reaching a record high. Judging from these numbers, the Hong Kong financial

markets, I must say, have responded to the pandemic in a very resilient manner.

Indeed, as many market participants have shared with us, they see more opportunities than challenges in the pandemic, and have taken the chance to innovate and digitalise. For example, online roadshows and online board meetings are increasingly being adopted. On the regulatory and legislative front, we at the Government are also putting in our efforts to pursue innovation and digitalisation. Just in March this year, we presented a bill to the Legislative Council on the uncertificated securities market (USM) regime, with a view to allowing investors in the equity market the option to hold securities without paper documents.

I know the same is happening with LME on digitalisation and modernisation. Earlier this year, LME published a discussion paper on future market structure with proposals to facilitate modernisation of the LME and to create a metals market that is fit for the future. Similar to our Hong Kong regime moving from paper-based to scripless securities, LME successfully launched its electronic warranting solution in March this year, replacing paper warrants. I am glad to learn that market support for this new service seems to be strong.

Another key theme that has emerged from the pandemic is the drive towards sustainable development. There is now a global consensus that, as the public and private sectors seek to rejuvenate economic growth, investments into green and sustainable projects should be our prime focus. Pursuing green recovery would allow us to walk out of the crisis together in a stronger and fairer manner.

The Government has accorded top priority to green and sustainable development, as demonstrated by the Chief Executive's commitment in her Policy Address to achieve carbon neutrality for Hong Kong by 2050, basically 10 years before our own country. To deliver on this goal, we will issue a total of US\$23 billion of green bonds over the next five years, depending on market situations, to finance green projects in pursuit of low-carbon economic development. Our cross-regulatory Steering Group also launched a strategic plan to strengthen our financial ecosystem to support a greener and more sustainable future.

Of course relying on the public sector alone would not suffice, and we will need to leverage on the private sector including each and every one of you as well. That is why in the Budget this year, a Green and Sustainable Finance Grant Scheme was announced, with a view to subsidising eligible issuers of green bonds and also green loans this time on their costs of issuance and external review. We hope this would attract more institutions to come, and leverage on Hong Kong's market infrastructure to venture into green and sustainable finance.

Now let's turn back to LME, the focus of today's metals seminar. I note that sustainability is also identified as a strategic goal to pursue, as illustrated by many of its initiatives – one of which is an online service

called LMEpassport, which would register Certificates of Analysis, providing a broad range of metal sustainability certifications and disclosures electronically. I note that launch is planned for Q3 this year, and the LME would actively engage with market stakeholders on its design, ensuring the primary goals will be met for providing the industry with greater transparency and sustainably produced products.

Time flies and it has been more than eight years since HKEX completed its acquisition of LME back in late 2012, and we just passed the seven-year itch. It is a tale of two cities forging a strong connection between East and West. Just now I have shared with you, during the time of the pandemic, how our two trading centres in Hong Kong and London have both maintained resilience, delivered innovation, and pursued sustainability. People say a good marriage would have the couple having in minds the same goals and pursuits. As you can hear from Laura's speech and mine, judging from what we have said, the marriage between the HKEX and LME is actually doing very well and would come a long way continuing to weather ups and downs in our common destiny together going forward.

Looking ahead, under the country's 14th Five-Year Plan and the Greater Bay Area initiative, the catchment of our commodities market would be further expanded. We have seen early signs of success, as marked by the tripling of year-on-year turnover of Qianhai Mercantile Exchange in Q1 this year, and the pioneering investment of HKEX into Guangzhou Futures Exchange. I am sure under the capable leadership of Laura and Gucho, we can expect many more achievements to come. I would also send my warmest welcome again to Gucho, as he officially took on the role as the CEO yesterday.

And back to what I promised at the outset about "vacation". To conclude, as financial market participants, I think what you care about more should be not just vacation but another V, about volatility. That said, if you talk to any people in Hong Kong, what they care about most now is about vacation. But before we can talk about volatility and vacation, we need to know another V, which is vaccination as it is essential for restarting our economic engine. On that, I would urge every one of you who have not been vaccinated to go get your jab and also, at the same time, I wish you all an enjoyable and fruitful discussion in the coming seminar today. Thank you.

CHP reviews local HIV/AIDS situation in first quarter of 2021

A total of 101 additional cases of Human Immunodeficiency Virus (HIV) infection were reported to the Centre for Health Protection (CHP) of the Department of Health (DH) in the first quarter of 2021, taking the cumulative total of HIV infections reported locally to 10 886 since 1984.

Reviewing the latest HIV/Acquired Immune Deficiency Syndrome (AIDS) situation in Hong Kong, a spokesman for the DH today (May 25) said, "Sexual transmission remained the major mode of HIV transmission. Members of the public should use condoms consistently and properly so as to reduce the risk of acquiring HIV."

Of the 101 HIV cases, involving 87 males and 14 females, reported in the quarter, 50 acquired the infection via homosexual or bisexual contact and 22 via heterosexual contact. The routes of transmission of the remaining 29 cases have yet to be determined due to incomplete information upon notification.

The new cases were mainly reported by three major sources: public hospitals, clinics and laboratories (43 cases); the DH's Social Hygiene Clinics (23 cases); and AIDS service organisations (14 cases). Also, 66 of the HIV-infected people (65 per cent) have already received HIV specialist services from the DH or the Hospital Authority.

In addition, 24 new cases of AIDS were reported in this quarter, of which 12 cases (50 per cent) were attributed to homosexual or bisexual contact and nine cases (38 per cent) were related to heterosexual contact. The route of transmission of three cases (13 per cent) has yet to be determined due to incomplete information upon notification. In this quarter, the most common AIDS-defining illness was Pneumocystis pneumonia, a kind of chest infection.

Since 1985, a cumulative total of 2 254 confirmed AIDS cases have been reported in Hong Kong.

The spokesman said, "HIV is the cause of AIDS and early HIV treatment with antiretroviral drugs helps prevent AIDS and its complications. It also significantly improves the quality of life and prolongs the survival of those infected. Notably, people with HIV who achieve sustained viral suppression to an undetectable level by antiretroviral drugs have no chance of passing on the virus through sex.

"Members of the public with a history of unsafe sex should take an HIV antibody test early. They can call the DH's AIDS Hotline (2780 2211) for a free, anonymous and confidential HIV test. HIV-positive people should seek specialist care as soon as possible."

The public may visit the following pages for more information on HIV/AIDS: the DH's Virtual AIDS Office (www.aids.gov.hk), the Red Ribbon Centre (www.rrc.gov.hk), the AIDS Hotline website (www.27802211.com) and the Gay Men HIV Information website (www.21171069.gov.hk).

16th round of compulsory testing for staff members of RCHEs, RCHDs and nursing homes to commence shortly

The Government today (May 25) announced that the 16th round of compulsory testing for staff members of residential care homes for the elderly (RCHEs), residential care homes for persons with disabilities (RCHDs) and nursing homes will commence shortly.

In accordance with section 10(1) of the Prevention and Control of Disease (Compulsory Testing for Certain Persons) Regulation (Cap. 599J), the Secretary for Food and Health issued a compulsory testing notice yesterday (May 24), requiring persons who are employed by and will be on duty at RCHEs, RCHDs, nursing homes and day service units attached to the premises of residential care homes during the period from June 11 to 24, 2021, or who will provide services to residents or users through hire-of-service contracts with residential care homes and the aforementioned units during that period (including full-time, part-time and relief staff), to undergo polymerase chain reaction-based nucleic acid tests for COVID-19 during the period from May 28 to June 10, 2021, according to the requirements and procedure set out in the notice (the Specified Test). However, persons who have completed a COVID-19 vaccination course (i.e. received two doses of a COVID-19 vaccine 14 days before the end of the testing period) are not required to undergo the Specified Test. Persons who have completed a COVID-19 vaccination course in places outside of Hong Kong (i.e. received the recommended dose(s) of a COVID-19 vaccine as stipulated in relevant guidelines 14 days before the end of the testing period, and the vaccine used is included on the list of vaccines as published on www.coronavirus.gov.hk/pdf/list_of_recognised_covid19_vaccines.pdf) are also not required to undergo the Specified Test.

The staff of the aforementioned institutions may choose the following means to undergo the Specified Test:

- (1) To undergo the Specified Test in any of the Community Testing Centres (see the list at www.communitytest.gov.hk/en), Temporary Testing Centres (if any) (see the list at www.swd.gov.hk/en/index/site_pubsvc/page_supportser/sub_ttc), or mobile specimen collection stations (if any) (see the list at www.coronavirus.gov.hk/eng/early-testing.html) in accordance with the instructions given by the staff at the centre/station;
- (2) To undergo the Specified Test as arranged by institution operators at a laboratory listed on the "COVID-19 Thematic Website" (see the list at www.coronavirus.gov.hk/pdf/List_of_recognised_laboratories RTPCR.pdf) and as instructed by the staff of the laboratory;

(3) To obtain a specimen bottle from one of the 121 post offices, 47 general out-patient clinics of the Hospital Authority or vending machines set up at 20 MTR stations, collect a deep throat saliva sample in the specimen bottle as per the guidelines provided together with the specimen bottle, and return the specimen bottle with the sample (see the specimen bottles distribution and specimen collection locations and times at www.coronavirus.gov.hk/eng/early-testing.html);

(4) To undergo the Specified Test at general out-patient clinics of the Hospital Authority as instructed by a medical professional of the Hospital Authority; or

(5) To self-arrange testing provided by a laboratory listed on the "COVID-19 Thematic Website" at their own expense (see the list at www.coronavirus.gov.hk/pdf/List_of_recognised_laboratories_RTPCR.pdf).

Any person who fails to comply with the testing notice commits an offence and may be subject to a fixed penalty of \$5,000. He or she would also be issued with a compulsory testing order requiring him or her to undergo testing within a specified time frame. Failure to comply with the order is an offence and the offender would be liable to a fine at level 4 (\$25,000) and imprisonment for six months.

A spokesman for the Social Welfare Department (SWD) said that the SWD and the Department of Health would issue letters to institutions to inform them of the relevant arrangements and requirements. The spokesman reminded that staff of the said institutions who would undergo testing at community testing centres should make an advance booking via the community testing centre booking system (www.communitytest.gov.hk) for the free testing service. In addition, institution operators should remind their staff members to properly keep the SMS notifications of their test results or their test result reports.

Institution operators are required to keep records of their staff having received the Specified Test and the results within the time frame specified by the Government. They are also required to keep the list of staff members who have completed a COVID-19 vaccination course. Institution operators also have to co-operate with Checking Officers (Compulsory Testing) of the SWD who are enforcing the Regulation at residential care homes.

The Government will continue to monitor the epidemic situation and make adjustments to the aforementioned testing policy after taking the overall anti-epidemic measures into account. Although staff members who have completed a COVID-19 vaccination course are exempted from the regular compulsory testing, they can still receive free testing if they voluntarily choose to undergo the test.

Public urged to report flooding

Attention duty announcers, radio and TV stations:

Please broadcast the following as soon as possible and repeat it at suitable intervals:

Members of the public are advised to report any street flooding that comes to their notice to the Drainage Services Department by calling the 24-hour drainage hotline on 2300 1110.

Flag-raising ceremony cancelled

Owing to the thunderstorm warning, the flag-raising ceremony to be conducted at Golden Bauhinia Square, Wan Chai at 8am today (May 25) will be cancelled.