

**Speech by Mr Joseph W P Wong,
Secretary for Commerce, Industry and Technology,
HKSAR 10th Anniversary Reception in London on 20th June 2007**

Ambassador Fu, Excellencies, Distinguished Guests, Ladies and Gentlemen,

It's a great pleasure to be here to celebrate the 10th Anniversary of the establishment of the Hong Kong Special Administrative Region.

2. This year, particularly in recent weeks, we have seen many articles written about Hong Kong and many interviews with prominent persons who have played a key role in Hong Kong affairs before and after the handover.

3. If I may start by referring to *Time Magazine's* article entitled "Hong Kong's Future: Sunshine with Clouds", which admits that its sister magazine *Fortune*, "infamously, and incorrectly" predicted 10 years ago that Hong Kong's return to China would bring about its death. Its conclusion is: "Hong Kong is more alive than ever". Here in London, Swire's Forder report reminds us of the unique strengths of Hong Kong.

More importantly, it demonstrates that there is a great British interest in maintaining and developing her links with Hong Kong.

TEN YEARS SINCE THE HANDOVER

4. I may not be the most qualified person to analyse the political and economic changes which have taken place in Hong Kong since the handover. But like my fellow Hong Kong citizens, I have lived through the Asian financial crisis, avian flu and SARS. I still remember that at the height of SARS when almost everyone in Hong Kong wore masks, I went to a lunch in the Peninsula Hotel and was told that there were only 6 guests staying there.

5. And I always like to tell my overseas friends another side of the mass protest in 2003 when the streets were swarmed by countless people from all walks of life – not one car was overturned and not one window was broken. It was the most law abiding demonstration by half a million people on earth.

6. We have survived these unprecedented events and, like our past, rebounded strongly to scale new heights. Our GDP grew by 7.5% in 2005, 6.9% in 2006 and 5.6% in the first quarter of the year.

7. “One Country, Two Systems” has passed the most vigorous test. Hong Kong remains not only the freest economy but also the freest

society in the world. Press freedom, freedom of expression, freedom of assembly, and free and unfiltered flow of information, continue to be a part of our daily lives. We are a multi-cultural, multi-national and multi-religious community living in harmony, with an efficient and non-corrupt government subject to the same rule of law and an independent Judiciary.

8. But Hong Kong is more than an international city. We play an active role in international economic and trade organisations. We are a distinct member of the World Trade Organisation (WTO) and the Asia Pacific Economic Cooperation (APEC). Hong Kong convened the Sixth Ministerial Conference of the WTO in December 2005 and helped move forward the Doha Round of multinational trade negotiations. With the support of the Central Authorities, Hong Kong hosted the ITU Telecom World 2006 last December and we will organize the Olympic equestrian games next August. Dr Margaret Chan, Hong Kong's former Director of Health, is now Director General of the World Health Organisation. No other region or city in China has Hong Kong's status in international relations.

9. We have also continued to make progress as an international financial centre. We have the world's sixth largest stock market – with a market capitalisation four times larger than that in 1997. We have

become the city of choice for Mainland companies looking to raise capital. Last year, London and Hong Kong took up the top two places in the world in terms of the amount raised through Initial Public Offerings. Hong Kong is now a RMB offshore trading centre with vast potential for doing more RMB-related business. We are also a major asset and fund management centre in Asia.

10. Another pillar of Hong Kong's economy – trade – is also flourishing. We are the world's 11th largest trading economy, 6th if we count the EU as one entity. Our total trade in goods almost doubled to US\$650 billion, and thanks to the tremendous growth of re-export trade of Chinese products, trade in services has now reached US\$100 billion. The Closer Economic Partnership Agreement (CEPA), which is essentially a free trade agreement, was signed in 2003 between Hong Kong and the Central Government of China. It offers zero tariff to Hong Kong made products entering the Mainland and gives preferential treatment to Hong Kong service providers in 27 sectors. What is more CEPA is an ever-improving agreement and I expect the fourth round of additional liberalisation measures to be concluded before 1 July this year. I would only add that our close relationship with the Mainland has not been at the expense of our relationship with our other trading partners - the UK is our 8th largest trading partner and our bilateral trade stands at more than US\$13.5 billion.

11. Hong Kong continues to attract foreign investment. We ranked 6th globally in FDI inflows in 2005. Today, some 40 percent of total investment into Mainland China has come from, or through, Hong Kong. At the same time, we remain Asia's most popular city for foreign companies – particularly for regional offices and headquarters which have risen by over 50 percent in the past decade to more than 4000, including about 350 from the UK.

12. Since 1997, Hong Kong has also made great strides as an international logistics hub, a centre for maritime services and tourism in the region. I am delighted that Hong Kong received over half a million British visitors last year and was voted “Favourite Overseas city” and one of the top ten destinations in *the Guardian* and *Observer* Travel Awards.

HONG KONG'S SPECIAL RELATIONSHIP WITH THE UK

13. That One Country Two Systems has worked successfully in Hong Kong not only reflects the ingenuity and wisdom of the great late Chinese leader Deng Xiaoping; it also demonstrates the resilience of the values and systems we have inherited from the UK. Respect for human rights, individual freedoms, the rule of law, the civil service system and

the English language have been enshrined in the Basic Law of Hong Kong and have become an essential and inseparable part of our social fabric. We should always acknowledge and treasure them for our own interests.

14. Contacts at all level, both official and unofficial, are reaching new heights – helped by 77 direct non-stop passenger flights per week between London and Hong Kong. UK Law Lords continue to serve as non-permanent judges and regularly sit on our Court of Final Appeal. Our cultural links are as strong as ever with about 20,000 Hong Kong students studying here and are over 13,000 British people residing in Hong Kong. The MOU on Education Co-operation that Hong Kong and the UK signed last year will maintain and bolster our education links and to our mutual benefits.

15. Before closing, I must pay tribute to [Lord Howe, plus other names to be added on the day], plus many others who I might have missed inadvertently or who could not be here this evening. I thank you most sincerely for the historic contribution you have made to the smooth handover and to laying a solid foundation for Hong Kong's present and future.

16. Ladies and Gentlemen, as I said before, I may not be the most qualified person to pass judgement on Hong Kong's post handover years. But as someone born in Hong Kong and who have spent over 30 years in public service, I ask for your indulgence to say this: Hong Kong has once again defied doomsayers to become a better place than it was ten years ago. We still face many challenges, economic, political, social and not enough sunshine. But I am confident we shall overcome all of these in the usual can-do spirit, particularly if you continue to take an interest in Hong Kong and lend us your goodwill and support. In fact, I have yet to come across a person from overseas who has visited Hong Kong and does not like it. If such a person ever exists, he or she cannot have come from the UK. So with this conviction, I thank you again for all the support you have given us over the years and I welcome you to visit Hong Kong as frequently as your jetlag permits.

17. Thank you.