

**Speech by Miss Sarah Wu, Director-General of HKETO, London
at Chinese New Year Lunch in Stockholm, March 6, 2008**

Dear Friends of Hong Kong [plus appropriate greetings depending on VIP guests],

Kung Hei Fat Choy! It is always a great pleasure to visit Stockholm and meet so many dear friends of Hong Kong, and particularly on this joyful occasion to welcome in the Year of the Rat.

The Rat is the first sign in the Chinese zodiac and signifies new beginnings. So this year should be a good time to start new ventures, take new directions and find new ways of doing things. It is a good time to put plans into action as there will be plenty of opportunities to achieve success. I sincerely hope that you all find it so.

According to Chinese astrology, people born in the year of the Rat are adventurous, courageous and enterprising; they are also quick-witted, very imaginative and hard working –

characteristics that I think people from both Hong Kong and the Sweden will recognize in each other.

We have a lot to celebrate in this time of renewal and new directions. 2007, the Year of the Golden Pig did indeed bring good luck, wealth and prosperity. Last year we celebrated ten years since reunification with our motherland.

Our economy did well in 2007. Exports of goods and services both enjoyed double-digit growth. GDP grew by over 6 percent in real terms and unemployment reached its lowest level since 1998. In our Budget announced yesterday, John Tsang our Financial Secretary announced significant tax concessions both for businesses and individuals. The reason he was able to do this was that 2007 brought the largest budget surplus HK has ever had – mainly due to the success of the financial services sector in Hong Kong.

Hong Kong remains a hot destination for both tourists and businesses. We welcomed some 28 million visitors in 2007. Foreign companies have set up nearly 4000 regional offices and

headquarters in Hong Kong. In the financial sector, last year, a total of 80 new Initial Public Offerings raised USD 37 billions and the total market capitalization of the stock exchange reached US 2.7 trillion dollars. Hong Kong has also grown as a personal asset and fund management centre.

The ties between Hong Kong and Sweden remain as strong as ever. Our bilateral trade growth rate has been growing steadily over the past five years – by just over 8% a year. Of the 4000 regional offices and headquarters in Hong Kong nearly 60 are from Sweden. But that's not all - our growing importance as a gateway to mainland China has meant that more than 10% of Sweden's trade with the Mainland is also routed through Hong Kong. Last year nearly 50,000 Swedish tourists came to experience Hong Kong, and in the last 12 months we welcomed no less than 5 senior governmental and official delegations from Sweden, including an environmental business delegation led by Her Royal Highness Princess Birgitta this January.

The Year of the Rat will be a time for action and new

directions. We are all looking forward to the Beijing Olympic Games. Hong Kong is proud to host the equestrian events and we welcome the Swedish equestrian team and their supporters to Hong Kong this August and wish them success.

Thank you.