

**Speaking Notes for Director-General of HKETO London
at Chinese New Year receptions
in Moscow, February 6, 2008**

Dear Friends of Hong Kong,

It is a pleasure to return to Moscow and to see some familiar faces from my visits with Frederick Ma, our Secretary for Commerce and Economic Development for Hong Kong Week last September and with Ambrose Lee, our Secretary for Security in November.

Tonight is the Chinese New Year Eve, the time for families and close friends to gather for a reunion dinner. I thank you all for joining us to welcome 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 year to start new ventures, take new directions and find new ways of doing things. It is a good time to experiment and put plans into action as there will be plenty of opportunities to achieve success. I sincerely hope that you all find it so.

Rats are perfectionists but they are also quick-witted and very imaginative and hard working – characteristics that I think people from Hong Kong and Russia will recognize in each other.

Hong Kong has a lot to celebrate. Last year we celebrated ten years since reunification with the mainland in 1997; this year we are looking forward to hosting the equestrian events for the Beijing Olympic Games.

Despite the ups and downs since 1997, Hong Kong has continued its lifestyle and enjoys prosperity and stability under the successful implementation of the “One Country, Two Systems” principle. It has reinvented and repositioned itself as an international financial centre, a logistics, trading and business hub.

Exports of good and services both enjoyed double-digit growth; our world-class airport had a record year, handling 47.8 million passengers and 3.7 million tonnes of air cargo last year, while the container port handled over 23 million TEUs.

Our business environment also continues to attract foreign investors and businesses. On a global scale, Hong Kong is Asia’s second largest destination for foreign direct investment (FDI), and continues to be classified as one of the “front-runner” economies. Hong Kong remains a preferred location for regional operations: we have some 3 890 regional headquarters and regional offices set up by foreign companies. I encourage more and more Russian businesses are coming to

Hong Kong to see and make full use of Hong Kong as their springboard. Last year, nearly 33 000 tourists from Russia, a 13% increase since 2006!

Trade between Hong Kong and Russia has grown steadily in recent years. Total trade increased by 25.7% reaching USD 1.27 billion last year. The first “Style Hong Kong in Moscow” exhibition last September has further showcased the quality and innovation of Hong Kong branded products, and Hong Kong has indeed plenty more to offer the increasingly sophisticated Russian consumer market, particularly in terms of high-end fashion and stylish electronic and household goods.

I am confident that the Hong Kong-Russia bilateral relations will be further promoted through business delegations, cultural and educational exchanges and official and unofficial contacts. I look forward to working closely with you all in the coming years.

Kung Hei Fat Choy and I wish you all a prosperous New Year!