

**Speech by Miss Sarah Wu,
Director-General of HKETO, London
Chinese New Year Reception in London, 16 February 2010**

Your Worships, your Excellencies, My Lords, Ladies and Gentlemen,

Kung Hei Fat Choy! It is a great pleasure to welcome you here to usher in the Year of the Tiger.

The Tiger symbolises bravery, energy and competitiveness. People born in the Year of the Tiger are said to make audacious and passionate leaders, but they are also sensitive, given to deep thinking, and capable of great sympathy. They embrace the unpredictable and love a challenge because they know they'll always land on their feet. But be careful; Tigers will pounce when they feel it's necessary.

New Year is a time to look forward but also to look back. Last year's Chinese New Year took place amid global economic turmoil. Though the situation has improved considerably, we are still not out of the woods.

Despite being hit by the global downturn, Hong Kong's economy is still in relatively good form, thanks to our sound fundamentals, Mainland China's stunning economic growth and the support of the Central People's Government. Our GDP for 2009 is expected to contract by 3.3%, far better than forecast.

This is not just luck. Hong Kong introduced a series of measures to stabilise financial markets, support enterprises and create employment,

implementing stimulus packages worth more than 5% of our GDP. We are pressing on with our multi-billion infrastructure projects including the 30-km long Hong Kong-Zhuhai-Macau Bridge, the West Kowloon Cultural District, the new cruise terminal and the Express Rail Link to Guangzhou, which by linking with the national high speed network will shrink the journey time to Beijing to less than ten hours.

We live in a global village, and the unprecedented financial crisis requires global solutions. We are pleased to have played a part in this by attending the G20 meetings as a member of the Chinese delegation, and by our membership of the G20's new Financial Stability Board. As a strong supporter of free trade we are encouraged by the G20's commitment to avoid protectionism.

In the year China celebrated its 60th anniversary Donald Tsang, our Chief Executive announced plans to strengthen our relations with the Mainland, especially the Pearl River Delta, and with Shanghai. With some pride Hong Kong is contributing to the Central Government's next Five Year plan.

Hong Kong is also building on its position as Asia's international financial centre. Last year we expanded our financial services in Renminbi, including a trade settlement pilot and permission for Hong Kong banks to issue Renminbi bonds. Last year Hong Kong was top in initial public offerings and we remain the preferred fund raising centre for Mainland enterprises.

Hong Kong is a great place to do business. Only last month, the

Heritage Foundation ranked Hong Kong as the freest economy for the sixteenth consecutive year. In 2009 total trade exceeded £403 billion and Hong Kong is the seventh largest recipient of foreign direct investment in the world.

We are now Asia's trading hub for the wine industry. Since abolishing duties on wine in 2008, imports have increased significantly, and industry insiders forecast that Hong Kong will soon become the world's second largest wine auction centre after New York. We already have co-operation agreements with key wine-making countries around the world, and the recent customs agreement with the Mainland will make it easier for Hong Kong companies to export wine to the Chinese market.

We're a hot destination for tourists, and a major venue for mega events, fairs, exhibitions and conferences too. Last year we welcomed 29.6 million visitors, with over 500,000 from the UK. Hong Kong remains a gourmet paradise - the new 2010 Michelin guide to Hong Kong includes the cheapest starred meal in the world.

We are moving steadily towards universal suffrage for the election of the Chief Executive in 2017 and Legislative Council in 2020. We hope some consensus will emerge following the current public consultation on methods for the 2012 elections.

Ties between Hong Kong and the UK are as strong as ever. Our bilateral trade in 2009 exceeded £7.6 billion. There are more than 1,000 UK companies operating in Hong Kong, and last year InvestHK helped

41 more to set up there, while another 200 Hong Kong companies established themselves here. UK Trade and Investment supported 15 trade missions to Hong Kong and helped more than 1,200 British companies to develop their business in the city. Several high level visitors from the Hong Kong Government visited the UK, including our Chief Secretary for Administration and Financial Secretary, and in turn we welcomed senior UK figures to Hong Kong, including the Transport Secretary, the First Minister of Scotland and the Lord Mayor of London.

We had a record year of encouraging cultural links between Hong Kong and the UK. We organised dozens of events, classical and jazz concerts and art exhibitions involving Hong Kong musicians and artists. We sponsored the first major film festival celebrating Hong Kong's women directors, showing more than 20 films in Manchester, London and around the country. We took part in the Lord Mayor's Show for the fifth time. The London Hong Kong Dragon Boat Festival in the Docklands has become a signature event, a colourful part of London's cultural life – I hope you will be able to join us for this year's festival on 27 June.

Hong Kong is always full of surprises. You wouldn't automatically associate the city with sport, but we host the annual Rugby Sevens and held the Beijing Olympic Equestrian events. Last December we hosted the East Asian Games –a great success with our athletes winning 110 medals including 26 gold. Few consider our sterling work in research and development, but our record in innovation gained recognition when

the 2009 Nobel Prize for physics was awarded to Professor Charles Kao, former Vice Chancellor of the Chinese University of Hong Kong. Born in China, educated in Hong Kong and the UK, he is internationally renowned as the "Father of Fibre Optics" and his work has transformed the way we live, learn, play, communicate and conduct business.

Hong Kong is truly a larger than life city, and with our sound fundamentals, resilient economy and "can do" spirit, we are confident that, like a tiger, Hong Kong will continue to overcome its challenges and further recover as the global environment improves.

Finally I would like to wish you health, happiness and a prosperous year of the tiger. Thank you.