

**Speech by Ms Erica Ng**  
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**Hong Kong Special Administrative Region Government**

**Chinese New Year Reception in London**  
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My Lord Mayor, Your Worships, Ministers, your Excellencies, My Lords, Ladies and Gentlemen,

Kung Hei Fat Choi! Welcome and thank you all for joining us tonight to celebrate the start of the Year of the Horse!

Let me start with a little fun trivia. In the Chinese Zodiac, people born in the Year of the Horse are said to be energetic, intelligent and hungry for the limelight. That might explain why some famous Britons born in the Year of the Horse include celebrity chef Gordon Ramsay, and Prime Minister David Cameron himself.

But enough horsing around. Tonight, I'd like to share with you some exciting news about Hong Kong right from the horse's mouth, beginning with our recent economic performance.

We currently enjoy full employment, and a healthy budget surplus of 3.5% of GDP. Our 2013 GDP growth is expected to be 3%, up from 1.4% in 2012. In the third quarter of last year, our exports grew strongly by 6.2% over the previous year, and we are the 2<sup>nd</sup> largest recipient of foreign direct investment in Asia, just behind Mainland China. We also continue to enjoy a long-established triple A credit rating, as well as the title of the world's freest economy for 20 consecutive years. Just last week, we gained one more feather in our cap, when Euromonitor named us the world's most-visited city for international travellers.

We expect recent policy initiatives, including those announced in the Policy Address by our Chief Executive C Y Leung three weeks ago, to sustain this robust growth.

Next, I'd like to share with you our excellent progress on some of the infrastructure projects I mentioned to you last year, which will significantly expand Hong Kong's capacity as a trade and logistics service centre for our region.

Transportation is getting a big boost, as the third runway for our airport is now at the Environment Impact Assessment stage, and construction on the 29 kilometre Hong Kong-Zhuhai-Macau bridge connecting Hong Kong to the western part of the Pearl River Delta is set to finish by 2016. This will shorten the current travelling time between Hong Kong and Zhuhai or Macau by land from four hours to just 45 minutes.

Also under construction is the 26 km Express Rail Link which will plug into the

Mainland's high-speed rail network and terminate at the vibrant new West Kowloon Cultural District. When complete in 2015, it will connect to 16 major cities, boosting traffic to and from the Mainland for business, shopping and entertainment.

However, our transportation projects aren't all about business. We take pleasure very seriously too, so I'm happy to say that the first berth of the new Kai Tak Cruise Terminal was commissioned last year on the site of our old airport. When complete in the next couple of years, the cruise terminal will be large enough to moor two QEILs simultaneously, and will become a key centre for cruise activities in our region. So be sure to include Hong Kong in your cruise plans!

In fact some of you may have fond memories of our old airport at Kai Tak. You must remember how planes taking off flew so close to the apartment blocks, that passengers could wave to the people in the buildings. Well, now the rest of the old site is being developed into a new world class Central Business District or CBD in Kowloon East, which will provide an additional 4 million square metres of office space, double the current capacity of our CBD at Central.

A new initiative just announced by our Chief Executive is that yet another CBD will be developed on Lantau Island, which will also benefit from being connected via the aforementioned mega bridge. This connection will open up massive development opportunities in hotels, leisure and tourism facilities on the island and nearby areas, spread over some 130 hectares.

Separately, our ongoing West Kowloon Cultural District project - a future home to 17 new arts and cultural venues has seen preliminary work begin on both the Chinese Opera House and the signature visual culture museum, "M+".

In housing, Mr Leung announced a new target to provide 470,000 new flats over the next ten years, with 40% of this being provided by the private sector.

In finance, we're building on our position as China's global financial centre to further promote the internationalisation of the Mainland currency, the Renminbi. If you need low-cost Renminbi to do investments in China, Hong Kong can help as we have by far the largest pool of Renminbi capital outside Mainland China. Other financial services initiatives include amending our tax laws to facilitate the development of Islamic finance in Hong Kong. Effective December 1<sup>st</sup> last year, we also amended our trust laws to nurture our trust services industry. An initiative for Mainland China and Hong Kong to mutually recognise each other's funds is being actively pursued.

There's yet more good news for the business people here today. I'm happy to say that, in addition to the 70 additional liberalisation measures recently included in Hong Kong and China's Closer Economic Partnership Agreement, or CEPA, also of great interest to the business community is that Hong Kong will soon commence formal negotiations on a free trade agreement with the Association of Southeast Asian Nations or ASEAN, Hong

Kong's second largest trading partner. This will enable us to fully capitalise on the new business opportunities in this ten-country trading bloc of approximately 600 million people.

I'm sure you're as excited about these new opportunities as we are. Well in Hong Kong we love to share, so I'm happy to say that we always welcome UK talent to work in Hong Kong and participate in our exciting growth story. To address our demographic challenge, our government is planning proactive policies to attract work talents from overseas and the Mainland.

Beyond economics, Hong Kong is also undergoing constitutional reform. We are progressing steadily towards universal suffrage for the election of our Chief Executive and Legislative Council. Last December, the Government launched a five-month consultation on how these elections should be organised. Our aim is for the Chief Executive to be returned by universal suffrage in the next election in 2017, and thereafter the election of all Legislative Council members by universal suffrage.

Relationships matter a great deal, and so the Hong Kong Economic and Trade Office and Invest Hong Kong team in London have been working to deepen Hong Kong's excellent relations with the UK and helping UK companies to set up in Hong Kong. In 2013, our bilateral trade with the UK amounted to around 8.5 billion pounds. In total almost 1000 British firms have operations in Hong Kong, and more than half of these companies conduct their regional operations from our city. I would also like to mention Invest Hong Kong's StartMeUpHK initiative newly launched last year. The winners of the competition were awarded with an attractive package of support to start up hi-tech companies in Hong Kong. So watch out for the next call for entries.

Building on this, in 2013 we were delighted to welcome senior UK government figures to Hong Kong, including Mayor of London Boris Johnson, and First Minister of Scotland Alex Salmond. Our Secretary for Justice Rimskey Yuen and Financial Secretary John Tsang also visited London in September and November respectively. Looking ahead, our Secretary for the Environment and Secretary for Transport and Housing will visit the UK in the next few months.

Ladies and gentlemen, today is the seventh day of the Chinese New Year, which according to Chinese legends is the day when humans were created. We are therefore celebrating our common birthday here today. Thank you all for joining this joyous birthday party and Chinese New Year celebration this evening. I look forward to working with you in the years ahead, and wish you good health, success and prosperity in the Year of the Horse!

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