



HONG KONG – THE BEST IS YET TO COME

Presentation by
Mrs Carrie Lam

Chief Executive
Hong Kong Special Administrative Region
at the Hong Kong Forum on 6 December 2017



Hong Kong has a strong base



- The world's most competitive economy
- The world's freest economy
- Consistent leaders in global rankings for rule of law and judicial independence





Hong Kong has a strong base

(cont'd)

- Five universities among the world's top 100
- One of the safest cities in the world
- Constitutionally guaranteed rights and freedom
- Efficient and clean government



The University of Hong Kong



香港中文大學
The Chinese University of Hong Kong



THE HONG KONG UNIVERSITY OF
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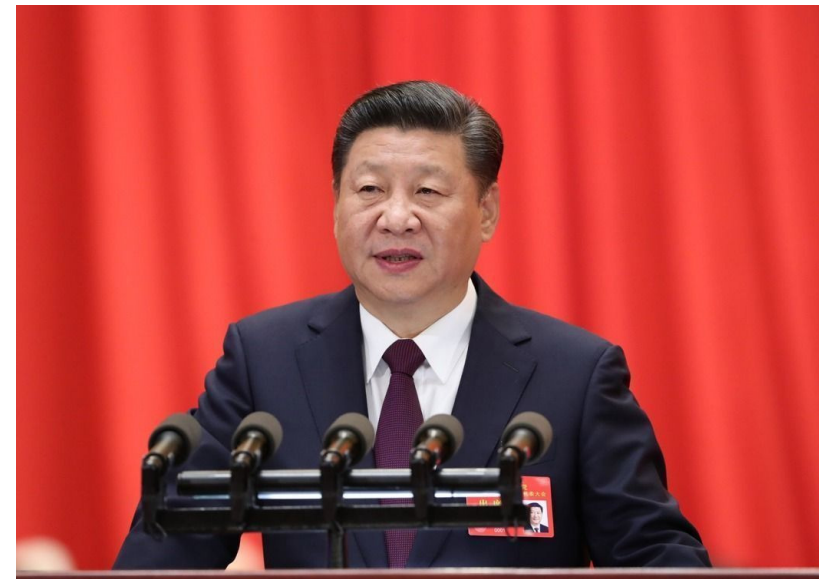
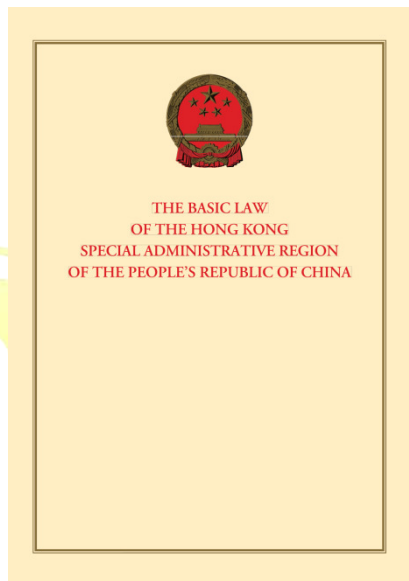
THE HONG KONG
POLYTECHNIC UNIVERSITY
香港理工大學



Unique advantage: One Country, Two Systems



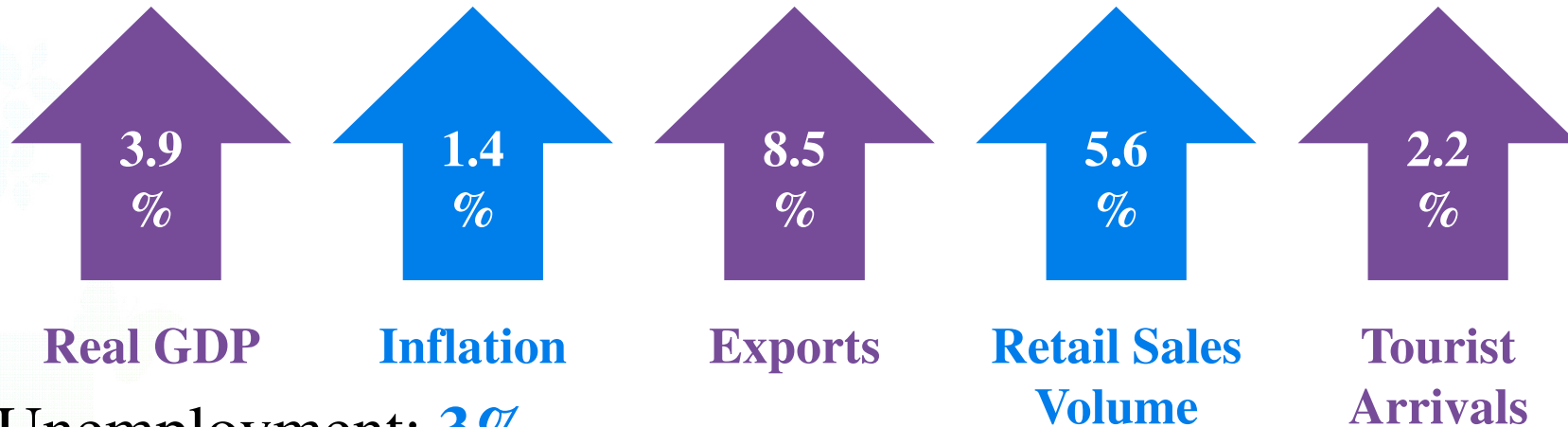
- 20 years of successful implementation
- Continued support from the Central Government
- General Secretary Xi Jinping in his report at the 19th CPC National Congress –
“We will continue to support Hong Kong and Macao in integrating their own development into the overall development of the country”





Strong economic performance

- First three quarters of 2017:



- Unemployment: **3%**
- Record high number of overseas and Mainland companies established in Hong Kong: **8,225**
(Comprising **1,413** RHQ, **2,339** ROs and **4,473** LOs)
- Record high fiscal reserves

Favourable external environment

- According to IMF:

	2017	2018
Global Economy	+3.6%	+3.7%
Asia-Pacific	+5.6%	+5.5%
Emerging markets and developing economies in Asia-Pacific	+6.5%	+6.5%
China	+6.8%	+6.5%



- Asia will continue to be the engine of global economic growth for the foreseeable future



To build on the strong base ...

- Boosting connectivity
- Consolidating traditional economic sectors
- Developing new economic sectors
- Improving business environment
- Enhancing the standard of living
- Leading a proactive government





Boosting connectivity

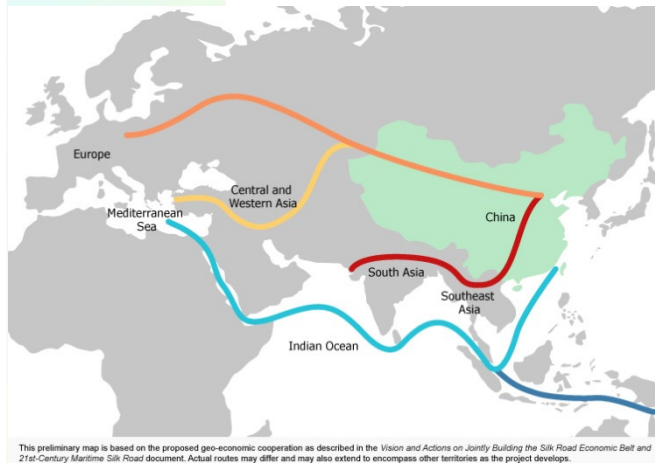
- Three major pieces of cross-boundary infrastructure to be commissioned within next 18 months:
 - Hong Kong-Zhuhai-Macao Bridge
 - Hong Kong section of the Guangdong-Shenzhen-Hong Kong Express Rail Link
 - Seventh land boundary control point at Liantang/Heung Yuen Wai
- Three-runway system of Hong Kong International Airport





Boosting connectivity (cont'd)

- Belt and Road Initiative
 - Agreement between Hong Kong and Mainland authorities to be signed this month
- Guangdong-Hong Kong-Macao Bay Area
 - Target to finalise development plan early next year
- Actively seek to sign FTAs, IPPAs and CDTAs with other economies
- Expand overseas ETO network by adding five new offices (South Korea, India, Russia, United Arab Emirates, Thailand)



Consolidating traditional economic sectors

- Financial services
 - Enhance connectivity with the Mainland and reach out to Belt and Road countries
- Trade and logistics
 - Enhance air, sea and land links and pursue value-added maritime services



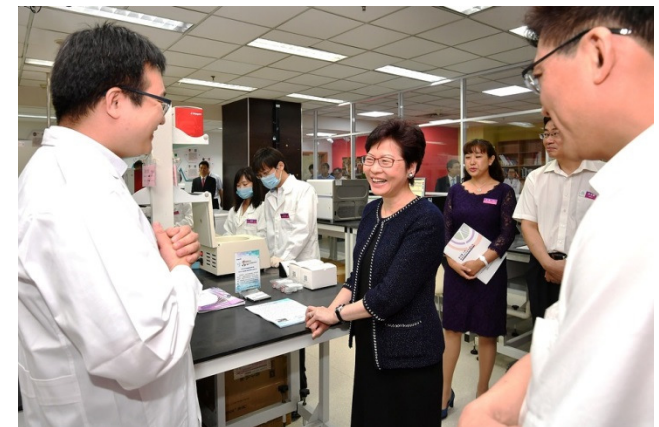
Consolidating traditional economic sectors (cont'd)

- Tourism
 - Adopt four development strategies to diversify visitor source markets, enrich tourism products, promote smart tourism and upgrade service quality
- Professional services
 - Facilitate access to Mainland and overseas markets and establish training hub



Developing new economic sectors

- Innovation and technologies (I&T)
 - To chair Steering Committee on I&T
 - Step up efforts in eight major areas, e.g.
 - Increases resources in R&D (such as tax deduction for R&D Expenditure)
 - Pool together technology talent
 - Provide investment funding (such as Innovation and Technology Venture Fund)
 - Provide technological research infrastructure (such as Hong Kong-Shenzhen Innovation and Technology Park)
 - Developing an international I&T hub in the Bay Area



Developing new economic sectors (cont'd)



- Creative Industries

- Providing more financial support
- Combining design and industry
- Strengthening cooperation in design with Shenzhen
- More emphasis on the promotion of design and creativity in education



Improving business environment

- Increase land supply for economic development
- Reduce tax burden through two-tier profits tax system
 - 8.25% for the first \$2 million of profits, 16.5% for the rest
- Map out manpower needs and facilitate talent admission
- Undertake more overseas promotion and publicity



Enhancing the standard of living

- Ensure inclusive growth through effective social policies
- Enhance arts and culture (West Kowloon Cultural District) and sports development (Kai Tak Sports Complex)
- Balance development and conservation
- Tackle climate change



Leading a proactive government



- New roles of the Government:
 - “Facilitator” and “Promoter” in addition to “Service provider” and “Regulator”
- New style of governance
- New fiscal philosophy



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Thank You

