



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

IMD WORLD
COMPETITIVENESS
YEARBOOK 2017

PIONEERS IN COMPETITIVENESS
SINCE 1989



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
SCIENCE AND TECHNOLOGY



香港城市大學
City University of Hong Kong



THE HONG KONG
POLYTECHNIC UNIVERSITY
香港理工大學

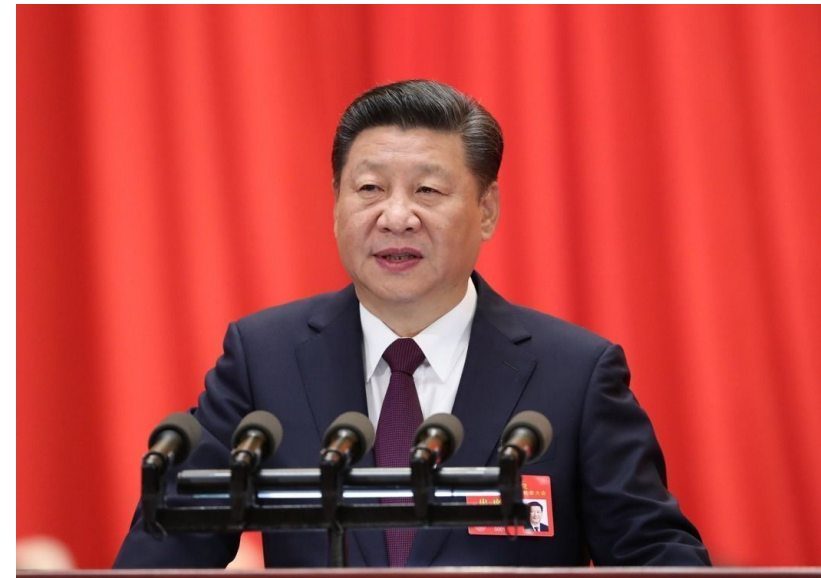
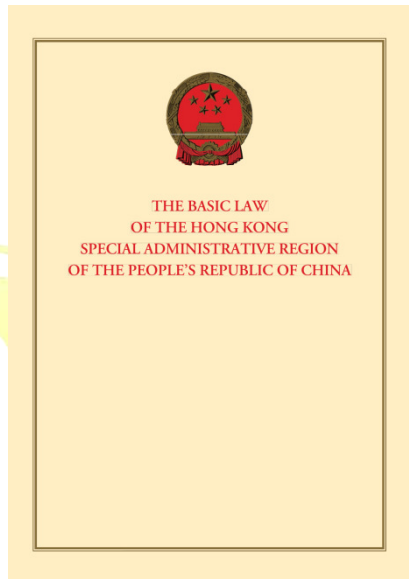


Unique advantage: One Country, Two Systems



- 20 years of successful implementation
- Continued support from the Central Government
- General Secretary Xi Jinping in his report at the 19th CPC National Congress –

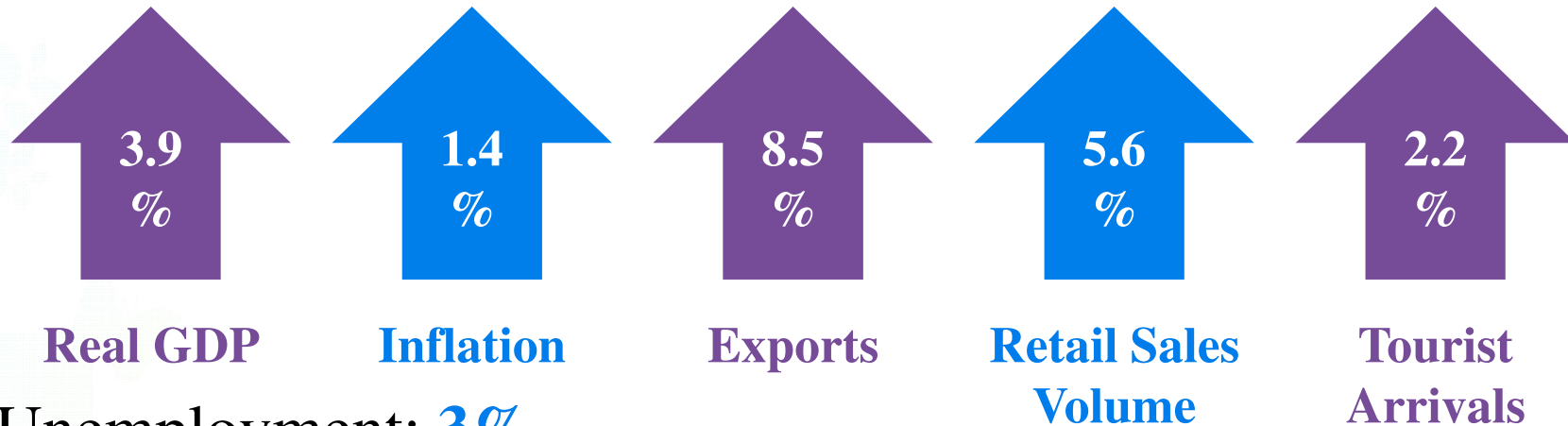
“We will continue to support Hong Kong and Macao in integrating their own development into the overall development of the country”



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



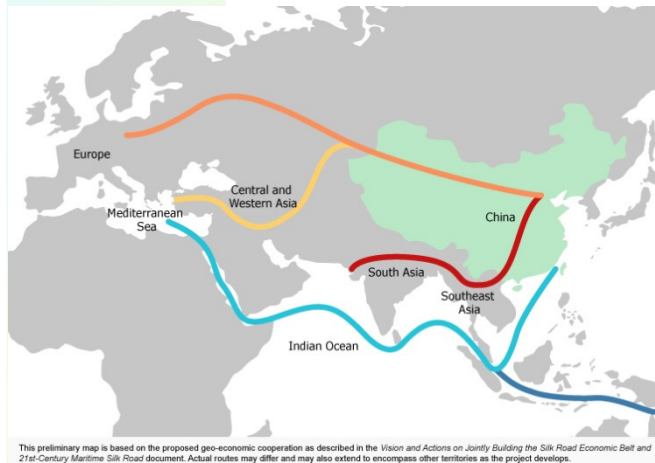
- Three major pieces of cross-boundary infrastructure to be commissioned within next 18 months:
 - Hong Kong-Zhuhai-Macao Bridge
 - Hong Kong section of the Guangdong-Shenzhen-Hong Kong Express Rail Link
 - Seventh land boundary control point at Liantang/Heung Yuen Wai
- Three-runway system of Hong Kong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



Together with the support of our
Hong Kong Business Associations Worldwide



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Thank You

