

Sustainable Governance with Trust and Support:

# Turning a New Page



## Key Mission:

- Ensure the prosperity and stability of HK and people live and work in peace and contentment
- Uphold the Basic Law and Safeguard the rule of law
- Ensure the stability of the public finances
  - keeping our expenditure within the limits of revenues and avoiding fiscal deficits
  - Maintain a healthy fiscal reserve in excess of HKD<sub>1,100</sub> billion.)



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## Hong Kong's Advantages:

- International financial centre
- International logistics, shipping and transport hub
- Innovation and technology
- High-end professional services

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## Belief of the HKSAR Government

- Optimal use of fiscal reserves
- Grasp public sentiments accurately by listening to public views (associations, talent pool of the gov't)
- Provide a business-friendly environment
- Uphold operation of the market
- Promote free trade
- Develop new areas of economic growth
- Nurture talent
- Improve people's livelihood
- Attend and care for the youth in HK





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Hong Kong's unique and competitive strengths:

- **Freest economy in the world** (25 years in a row rated by Heritage Foundation)
- **International financial centre** (Ranked No.3 worldwide after New York and London)
- **International aviation hub** (74 million passengers and 5.1 million tonnes of cargo and air mail)
- **Global business network** (13 overseas ETOs and over 8 700 overseas and Mainland companies in Hong Kong)
- **Top-notch universities** with strong research capability (5 universities amongst the world's 100)
- **6th safest city in the world**(2017)

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Hong Kong's unique and competitive strengths:

- the world's **8th largest exporter of merchandise trade** and the world's **15th largest exporter of commercial services** in 2018
- **global FDI inflows** to Hong Kong amounted to US\$115.7 billion in 2018, ranked 3rd globally, behind only Mainland China (US\$139 billion) in Asia.
- In terms of **FDI outflows**, Hong Kong ranked 3rd in Asia with US\$85.2 billion, after Japan (US\$143.2 billion) and Mainland China (US\$129.8 billion)
- In terms of **FDI stock**, Hong Kong was the world's 2nd largest host with US\$1,997.2 billion, after the United States, and the world's 4th largest investor with US\$1,870.1 billion in 2018.



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Hong Kong's unique and competitive strengths:

- **2nd largest foreign exchange market** in Asia and the 4th largest in the world in 2019
- **largest offshore RMB clearing centre** in 2019, sharing about 75% of the world's RMB payments
- Hong Kong's **stock market** ranked the 3rd largest in Asia and the 5th largest in the world in terms of market capitalisation

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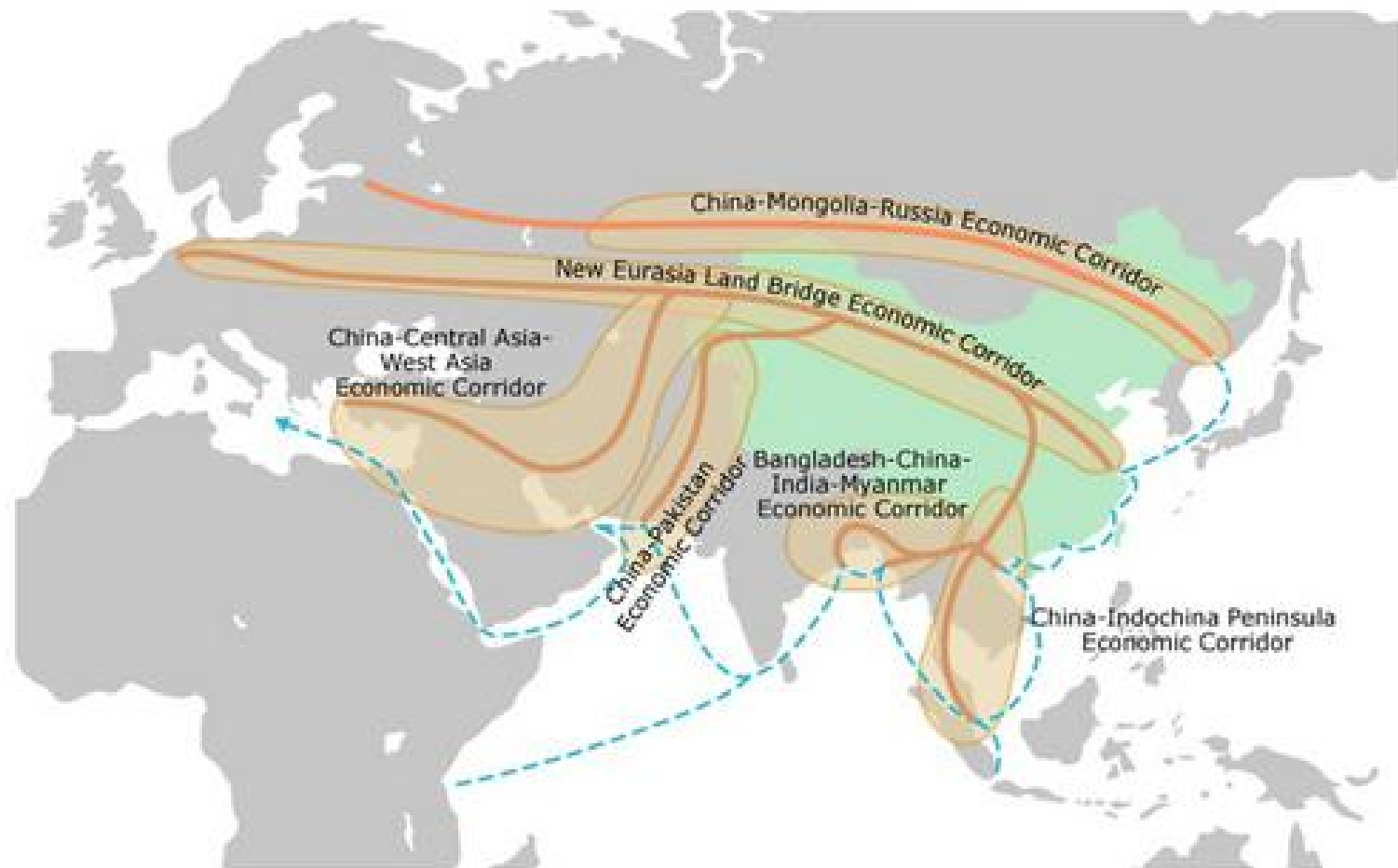
## Turning a New Page

Golden opportunities arising from the two development strategies that our country is pressing ahead with:

- 1) Belt and Road Initiative
- 2) Guangdong-Hong Kong-Macao Greater Bay Area (GBA)

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**The Belt and Road Initiative: Six Economic Corridors Spanning Asia, Europe and Africa**





# Sustainable Governance with Trust and Support: Turning a New Page

## Guangdong-Hong Kong-Macao Greater Bay Area (GBA)



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## World-class city clusters



Greater Bay Area



San Francisco Bay Area



New York  
Metropolitan Area



Greater Tokyo Bay

	Greater Bay Area	San Francisco Bay Area	New York Metropolitan Area	Greater Tokyo Bay
Population (m) <sup>1</sup>	71	7.7	20.2	44
Land area (1,000 km <sup>2</sup> ) <sup>1</sup>	56	17.9	21.5	36.9
GDP (US\$ trillion) <sup>1</sup>	1.6	0.8	1.7	1.8
Estimated GDP in 2030 (US\$ trillion) <sup>1</sup>	4.6	2.2	2.2	3.2
Number of the world's top 100 universities as ranked by QS <sup>2</sup>	4	3	2	2
Number of <i>Fortune</i> 500 companies <sup>2</sup>	16	28	22	60

Source: HSBC



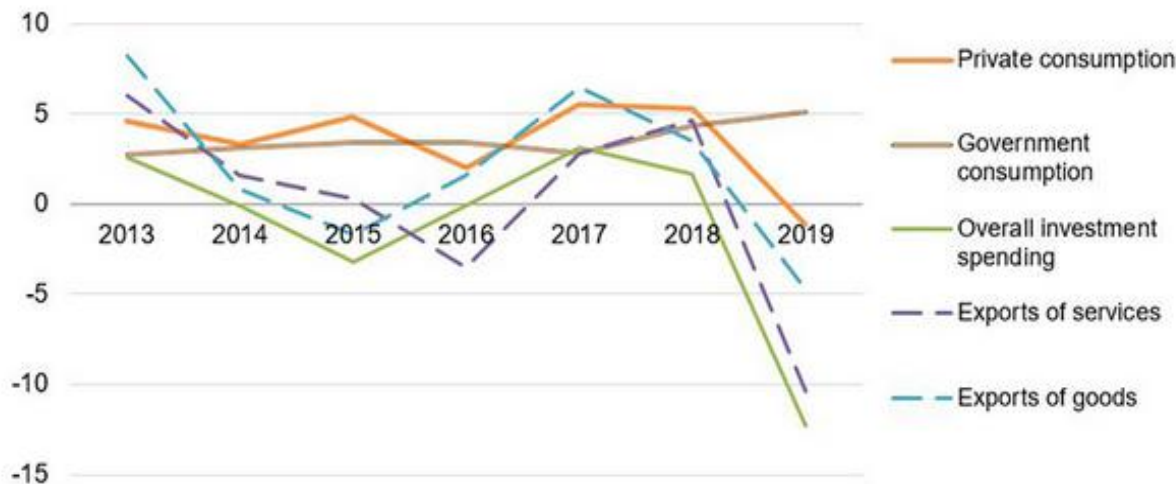
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## Challenges Ahead

- Uncertainty in global economy (Pandemic / COVID 19)
- a fully open economy

### Real GDP Growth by Selected Components

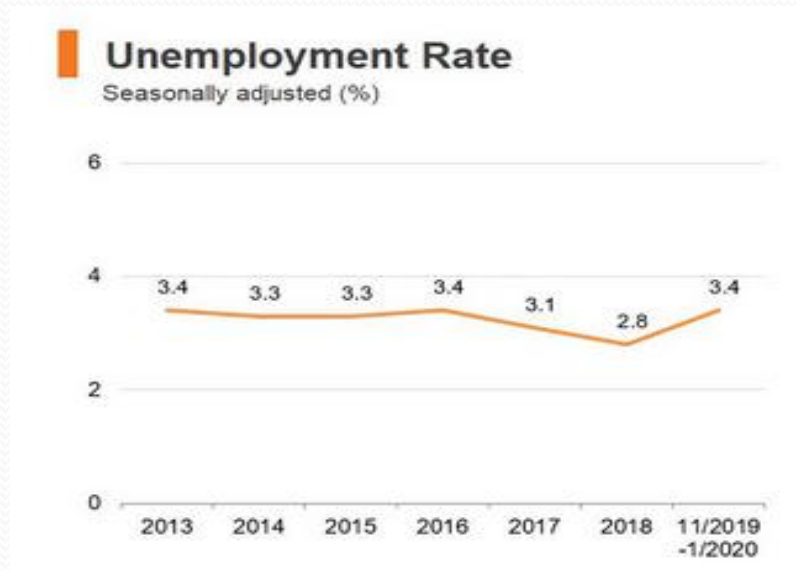
Year-on-year % change



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## Challenges Ahead

- Unemployment 5.2% (May 2020)
- Land Supply
- Housing Supply
- Rising demands for public service due to aging population
- Flawed education





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## Challenges Ahead

- Social Media(Facebook/ WhatsApp/ Instagram/ Telegram)
  - Internet change the world, social media destroy the cities, such as HK(2019-2020), Malaysia(2018), Ukraine(2014)...
  - 3.8 billion people use social media in 2020
  - Some social media making social unrest
  - Regulation?
    - European Union: General Data Protection Regulation
    - Australia: Sharing of Abhorrent Violent Material Act
    - Germany: Network Enforcement Act
    - Russia
    - China
    - Singapore
    - France
    - Britain
  - **UN: GUIDELINES**

**True News?  
Fake News?  
Distort messages?  
Disguised propaganda**



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Can HKSAR government do better?

- more open and accommodating
- strategic plan to carry out reforms/revolutionary changes to improve the development of the city
  - Civil Service – one of the world's best(1997)
  - Civic/Patriotic Education
  - Land
  - Housing
  - Economy/ business environment



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Can HKSAR government do better?

- Review' Big Market, Small Government' economic policy stance
- Enhance co-operation with the Mainland
- Carry out decolonization process
- National Security Law for HK and HK Basic Law Article 23
  - safeguard national security in HK in light of "the new circumstances and needs" and solidify the "one country, two systems" principle
  - bedrock underpinning the stability of the country and serves the fundamental interests of all Chinese people, including Hong Kong compatriots

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It is never too late to mend.

We can make HK a better place!

Thank you!