

Speech by Secretary for Justice at opening session of "In Style·Hong Kong" Symposium (English only)

Following is the speech by the Secretary for Justice, Mr Rimsky Yuen, SC, at the opening session of the "In Style·Hong Kong" Symposium in Kuala Lumpur, Malaysia, today (November 7):

Datuk Seri Dr Wee (Minister in the Prime Minister's Department, Malaysia, Dr Wee Ka Siong), Mr Vincent Lo (Chairman of the Hong Kong Trade Development Council (HKTDC)), distinguished guests, ladies and gentlemen,

On behalf of the Government of the Hong Kong Special Administrative Region, may I extend our warmest welcome to all of you for joining "In Style·Hong Kong", the signature mega promotion event organised by the Hong Kong Trade Development Council. I am very honoured to have the privilege to join you today and witness the opening of this two-day business-to-business trade exposition which will showcase a wide range of quality branded and designer-led lifestyle products from Hong Kong enterprises to our Malaysian friends, as well as friends from neighbouring countries.

This is the third time the HKTDC organised "In Style·Hong Kong". The previous ones were respectively held in Jakarta and Bangkok in 2015 and 2016. I also participated in the last two "In Style·Hong Kong" and witnessed personally that the events have cultivated stronger links between Hong Kong and the two countries. Indeed, this event enables us to present Hong Kong's branded and design-led products and our top-quality services, which together have made Hong Kong a trend-setting city in the region. I am confident that this year's "In Style·Hong Kong" will foster an even closer and stronger link between Malaysia and Hong Kong.

In addition to her other strengths and attractions, Malaysia is one of the powerhouses propelling the economic growth of Southeast Asia. According to the World Bank, Malaysia's GDP growth rate is predicted to rise to 4.9 per cent for 2017, surpassing the current projection range of 4.3 to 4.8 per cent.

Malaysia was Hong Kong's 10th largest trading partner in 2016. Bilateral goods trade amounted to over US\$13.4 billion. We are also a major source of investment for each other. In 2016, Malaysia was the 14th largest source of inward direct investment into Hong Kong, and ranked 10th as the major destination of Hong Kong's outward direct investment. I should add that the Comprehensive Double Taxation Agreement between Malaysia and Hong Kong has been in place since 2012, and has been working smoothly.

On the tourism front, over 500,000 friends from Malaysia visited Hong Kong last year, whilst places including Kuala Lumpur, Penang and Kota Kinabalu are among the favourite vacation destinations for many Hong Kong people.

Building on the flourishing relations between Malaysia and Hong Kong, the Hong Kong-ASEAN, that is the Association of Southeast Asian Nations, Free Trade Agreement (FTA) and related Investment Agreement will be signed very soon. We are grateful to all the members of ASEAN, including Malaysia, for your contribution in attaining our shared goal. Not only will the FTA provide an appropriate platform to further enhance the flows of trade and investment between Hong Kong and ASEAN, it will further strengthen Hong Kong's role as the "facilitator" facilitating Mainland businesses to "go global" and overseas enterprises to enter the mega Mainland market. Together with the Mainland-Hong Kong Closer Economic Partnership Arrangement (CEPA), which is our free-trade arrangement with Mainland China, the FTA will provide better access for

ASEAN companies, including Malaysian companies, to the Mainland market, as well as to the opportunities made possible by the Belt and Road Initiative.

Hong Kong attaches great importance in developing stronger ties with ASEAN as a whole and also with each of its members, as we believe it is in our mutual interests to do so. ASEAN is currently Hong Kong's second largest merchandise trading partner and the fourth largest services trading partner. The value of trade between Hong Kong and ASEAN has grown by 72 per cent over the past 10 years, reaching US\$107 billion in 2016.

To consolidate our ties with ASEAN, we set up a new Economic and Trade Office (ETO) in Jakarta last year to supplement the one in Singapore. The Jakarta ETO, together with the HKTDC office in Kuala Lumpur and the Hong Kong Malaysia Business Association, stand ready to assist you to make use of Hong Kong's premier financial services, our international legal and dispute resolution services, as well as many other different types of top-quality and high value-added professional services. With the signing of the FTA, we will be stepping up our efforts in seeking market opportunities for Hong Kong businesses in ASEAN, including Malaysia, and likewise will welcome more Malaysian enterprises to invest in Hong Kong and to enter into the Mainland market through Hong Kong.

I have alluded to the Belt and Road Initiative earlier. It is a visionary initiative that will generate a lot of opportunities. Malaysia definitely has an important role to play in the Belt and Road Initiative. The reason is obvious: Malaysia is situated at the centre of Southeast Asia and along the Straits of Malacca, which is one of the busiest shipping routes in the world.

As highlighted in a joint press statement on the Malaysian Prime Minister's visit to China from 31 October to

5 November 2016 issued by the Chinese and Malaysian governments, both sides agreed that Malaysia-China bilateral relations are currently at their highest level and will continue to be strengthened through regular communications and exchanges between the two sides. As a matter of fact, Malaysia has also been China's largest trading partner among ASEAN countries since 2008.

The infrastructure projects jointly invested by China and Malaysia cover areas including port, railway, industrial park and e-commerce, including the co-operation between the Malaysia Digital Economy Corporation and Alibaba Group on the Digital Free Trade Zone in Kuala Lumpur. Among these investment projects, Hong Kong will make full use of our edges to provide what the Belt and Road Initiative needs, including our open market with free flows of capital, information and people, clean and efficient government, and low and simple tax system. To make Hong Kong's business environment even more attractive, we will be introducing a two-tiered profits tax rate regime to reduce tax burden on enterprises, and provide additional tax deduction for expenditures on research and development.

Speaking of Hong Kong's role, as a major economic partner for many Southeast Asian nations, Hong Kong has an important role to play in terms of financial platforms, transport logistics hubs, trade logistics centres and professional services platforms. Indeed, the Central People's Government is actively supporting Hong Kong in performing her role in the context of the Belt and Road Initiative.

Under the "one country, two systems" policy, Hong Kong enjoys the benefit of being a Special Administrative Region of China and at the same time maintains key systems, including the financial and legal systems, separate and distinct from the rest of China. Apart from being ranked the world's freest economy for 23 consecutive years by the

Heritage Foundation, Hong Kong also came first in terms of overall economic freedom in the annual report released by the Fraser Institute for the years 2016 and 2017.

Our utmost respect for the rule of law, including judicial independence, is one of the key factors which explains why Hong Kong remains attractive to the international business community. According to the Global Competitiveness Report issued by the World Economic Forum, Hong Kong came first among the Asian economies in terms of judicial independence.

Another key characteristic of Hong Kong is our extensive pool of professionals covering many different disciplines and from different backgrounds. Examples include legal; dispute resolution, including international arbitration and commercial mediation; accounting; engineering; architecture; management; and consulting. These professionals possess the expertise to lead consultancies, construction projects, operations and management of infrastructure projects whether under the Belt and Road Initiative or otherwise. In this regard, I am glad to say that a delegation comprising some 30 delegates from Hong Kong's legal and arbitral bodies has joined me to participate in the Symposium today.

Ladies and gentlemen, I started off by saying that we have come here to present our products and services. That of course is true. But more importantly, we have come here to build a stronger friendship with the people of Malaysia and to demonstrate that there is plenty of room for collaboration, co-operation and partnership in the context of trade and commerce, professional services and beyond.

On this note, it remains for me to express my utmost gratitude to HKTDC again for organising this event. My sincere gratitude also goes to other participant partners for their unfailing support in enhancing the bilateral relations

between Hong Kong and Malaysia. May I wish this year's "In Style·Hong Kong" another great success, and wish you all a fruitful day.

Thank you.

Ends/Tuesday, November 7, 2017