

Speaking Note for D(SY)

Celebration of the 15th Anniversary of the establishment of the Hong Kong Special Administrative Region

- On behalf of the Government of the Hong Kong Special Administrative Region, I wish to extend a very warm welcome to you all and thank you for being here to celebrate with us a significant milestone – the 15th Anniversary of the establishment of the Hong Kong Special Administrative Region.
- I would like to thank, in particular, the Hon Marie Ficarra, Parliamentary Secretary to the Premier, representing the Premier; Mr Liu Kan, Deputy Consul General of the People's Republic of China; Mr. Scott Strain, British Deputy Consul General and Councilor Robert Kok, Deputy Lord Mayor of Sydney City Council for joining us tonight.

15 years since the handover

- On 1st July 1997, Hong Kong returned to Chinese sovereignty, after more than 150 years of British colonial rule. In the past fifteen years, under the principle of “One Country, Two Systems”, Hong Kong has enjoyed what many thought was impossible - a high degree of autonomy and close economic ties with Mainland China.
- It is fair to say that, in the run-up to 1997, there were a few who doubted that Hong Kong could possibly succeed under Chinese sovereignty. Indeed, there were those who forecast nothing but

doom and gloom from every direction. These might even have been some who doubted that a POM could possibly head the Hong Kong Government Office in Sydney 15 years after the handover. So, how are we doing? Not perfectly, as some would seem to demand...but let me give you some third party objective assessments. Looking at the latest international comparative studies....the list is too long to recite in detail, but suffice to say that we came first in all the following assessments:

- Fraser Institute’s Economic Freedom of the World – No 1
- Heritage Foundation’s Index of Economic Freedom – No 1
- World Economic Forum’s Global Enabling Trade Report – No 1
- WEF’s Financial Development Report – No 1
- IMD’s World Competitiveness Report – No 1

We do pretty good in most of the others too. Clearly, we are doing well on the economic front. Even more important, our freedoms have not diminished, nor will they. I would actually argue that Hong Kong has greater freedom now than it had before 1997. The pillars of Hong Kong’s success – the rule of law, underpinned by an independent judiciary; a level playing field for all; a free and unfettered media; freedom of religion, freedom of movement of people and capital and a clean, efficient and accountable administration – are as rock solid today as they were fifteen years ago.

- There is no doubt that re-unification with the Mainland has brought benefits to Hong Kong. The ever closer ties with Mainland China have opened up enormous opportunities for Hong Kong.
 - Our external trade has more than doubled to HK\$7.1 trillion from 1997 to 2011.
 - Hong Kong has become China's international financial centre. We have the world's 7th largest and Asia's 3rd largest stock market – with a market capitalization five times larger than in 1997. In 2011, Hong Kong continued to lead the world in IPO funds raised, beating New York and Shanghai for the third year in a row. *[Note: The number of Mainland firms listed in Hong Kong has risen from 101 in 1997 to 645 in the first half of this year, more than 500 per cent increase.]* Our Renminbi business continues to grow and Hong Kong is now the largest center for offshore Renminbi banking, bond issuance and trade settlement.
 - Apart from stronger business-to-business links between Hong Kong and the Mainland, our people-to-people contacts have become more robust than ever. Last year, Hong Kong welcomed a record number of 42 million visitors, four times the numbers in 1997 (10.4 million). This is no mean feat for a small city like Hong Kong with a population of 7 million. In 2011, two-thirds of the visitors were from Mainland China and they were also the biggest daily per capita spenders. Visitor arrivals were up 15% for the first five months of this year. Hong Kong is starting to debate the need to restrict visitors

from the Mainland! Curiously, this is the first time I have seen a tourist destination talk about limiting the numbers of its highest spending visitors!

- Riding on the back of the resilient Chinese market, Hong Kong ended last year with a respectable GDP growth of 5%, despite the uncertainties in the global market. Unemployment is currently at 3.2%.
- Hong Kong has certainly achieved much more than economic success over the past fifteen years. The arts and culture, for example, now flourish as never before. The WKCD, under development in Tsim Sha Tsui, and headed by an Australian, is powering ahead. And we are developing and encouraging indigenous young talent. The Hong Kong Academy for the Performing Arts is undergoing a major expansion. And you will soon have the opportunity to hear the quality of our young musicians.

Hong Kong's relationship with Australia

- Australia has long been a very valued partner of Hong Kong. Both our societies are committed to the freedom of expression, open and transparent markets and a rules-based approach to doing business.
- In 2011, our trade with Australia increased by almost 70% from 1997. Australia has also become a significant wine exporter to Hong Kong since the elimination of duties on wine in Hong Kong in 2008. In 2011, Australia was our 4th largest source of wine imports, after

France, the UK and the US. (I confess I had not realised that the UK was such a major wine producer! There's an incentive to increase your exports!) There are many other opportunities for business and trade growth.

- We also have close contacts at other levels. Over 150 regional headquarters, regional offices and local offices were set up by Australian companies in Hong Kong. According to our records, there are around 12,000 Australians residing in Hong Kong. In 2011, we received 645,000 visitors from Australia which was our 2nd largest long haul tourism market (after the US).

Closing

- Thank you for joining us this evening. I hope you enjoy the laser show that is being projected on Hong Kong House, and later tonight the Hong Kong film, *White Vengeance*. The laser show will continue until midnight on 2 July; the Hong Kong film festival starts tonight and carries on over the weekend at the George Street Event Cinemas. Other activities to celebrate the 15th Anniversary include a performance tour by the Hong Kong Children's Symphony Orchestra in five Australian and New Zealand cities, with the first concert being held on 19 July at Sydney City Recital Hall, Angel Place. If you haven't got a ticket, you will need to beg, borrow or steal! We are also putting on two exhibitions in our Ground Floor function room – the oil painting exhibition by second generation Hong Kongers in Australia: "*Australia: through Hong Kong eyes*" opened earlier this

afternoon and carries on until 12 July; and a multimedia exhibition on the tale of two cities, Hong Kong and Sydney, will be held from 25 August to 8 September. I hope you, your family and friends will thoroughly enjoy these celebratory activities.

- Looking ahead, the new government led by the Chief Executive - elect Mr C Y Leung will take office on 1 July. Just a few hours ago, Mr Leung announced his Ministerial team.

- The new Chief Secretary is Ms Carrie Lam, the former Secretary for Development
- Mr John Tsang continues as Financial Secretary
- The new Secretary for Justice is Mr Rimsky Yuen

I won't list all the changes now. I would just say that 7 Ministers under outgoing Chief Executive Mr Donald Tsang are in the new Ministerial line-up. The remainder are prominent figures in their fields, with many of them previously having held senior positions in the public service.

- Just as we could hardly predict Hong Kong's future back in 1997, we cannot foretell what Hong Kong will become in a rapidly changing and ever more integrated global economy. Difficulties and uncertainties lie ahead. However, given our track record so far I am confident that whatever challenges the coming years bring, with the adaptability and creativity of the people in Hong Kong, we can transform these challenges into new opportunities as we have done in

the past.

- Finally, Hong Kong looks forward to the next 15 years and beyond, not as just another city of China but as the most open, free and international city in China as well as the best gateway to China, and from China to the rest of the world.
- Thank you

Toast:

To the people of Australia, the People's Republic of China, and Hong Kong.

PHOTOS OF THE EVENT



Steve Barclay launching “Australia through Hong Kong Eyes” art exhibition as part of the 15th anniversary festivities at Hong Kong House in Sydney, Thursday 28 June 2012.



Steve Barclay enjoying the laser light show on the façade of Hong Kong House Thursday 28 June 2012.



Parliamentary Secretary to the Premier, Marie Ficarra MLC, and Director of Hong Kong Economic and Trade Office in Sydney, Steve Barclay, at 15th Anniversary Launch, Thursday 28 June 2012.