

**Asia Forum 2009
Ho Chi Minh City, Vietnam
6 June 2009**

**Speech by Mr Law Kin-wai
Acting Director of HK Economic & Trade Office, Singapore**

Chairman, Distinguished Guests, Ladies and Gentlemen,

- Good afternoon. It is a great pleasure to be here with our friends today!
- Hong Kong and Vietnam have been enjoying a good relationship. We are the seventh largest investor in Vietnam, and last year our bilateral trade increased 23 per cent year-on-year to some US\$4 billion. Trade aside, both sides have also established close partnership on various areas. Last December, Hong Kong and Vietnam signed a Comprehensive Double Taxation Agreement during our Financial Secretary's visit to Hanoi. Following that, three Memoranda of Understanding covering education, trade promotion and finance were signed when the Prime Minister visited Hong Kong in April this year.
- In the midst of the economic downturn, Hong Kong, one of the freest economies in the world, will not shirk from the challenges. We will continue to provide a sound, stable and transparent environment for investors at home and overseas. Our focus has been to stabilize the financial system, ease the credit crunch for our enterprises and save jobs for our work force. Relevant measures include lowering taxes, guaranteeing deposits in local banks, making available additional capital to banks, providing loan guarantees to our small and medium enterprises, as well as creating jobs, training opportunities and internships.
- Despite the current downtime, we believe that there are rooms for us to turn crisis into new business opportunities and to enhance our competitiveness. This will lay a more solid foundation for the sustained development of our economy in future. Against this background, we have identified six economic areas that Hong Kong enjoys clear advantages as the priority areas for focused study. These areas are testing and certification; medical services; innovation and technology;

cultural and creative industries; environmental industry; and educational services. We are exploring how they could be further developed.

- One of Hong Kong's attractiveness for investors has traditionally been our proximity to, and close relationship with, the Mainland. As many of you are aware, Hong Kong is a Special Administrative Region of China that enjoys high degree of autonomy, maintaining our status as a free port, a common law jurisdiction, a separate member of the WTO and a separate customs territory. We have been a gateway to the Mainland and ourselves the largest investor in the fast-growing Chinese economy.
- Last month, we agreed with the Mainland Government on further services liberalization and trade cooperation under the Mainland and Hong Kong Closer Economic Partnership Arrangement, commonly known as CEPA. Under such supplement, the Mainland will introduce 29 liberalization measures covering 20 service sectors, thus expanding the total number of service sectors covered from 40 to 42. These sectors include tourism, banking, telecommunications, convention and exhibition, research and development, transportations, etc. All the services liberalization measures will take effect from October this year. The new measures can help enhance the relevant sectors' competitiveness in the Mainland and promote the long-term economic development of both sides.
- Ladies and Gentlemen, I have highlighted our strategy in dealing with the economic and our advantages as the most competitive place to do business in the Mainland. We shall continue create opportunities for our business community at home and overseas. We do look forward to seeing more cooperation and exchanges among Hong Kong and Vietnam as well as other countries in the region.
- Thank you very much!