

D(SG) Bruno Luk's speech
Hong Kong Economic & Trade Office in Singapore's
Chinese New Year Gathering
(March 5, 2018, Empress Restaurant at Asian Civilisations Museum)

Mr Fang (Mr Fang Xinwen, Charge d'Affaires & Minister Counsellor, Embassy of People's Republic of China in Singapore), **Mr Chng** (Mr Chng Tze Chia, Deputy Director of Singapore's Ministry of Foreign Affairs), **Ms Fam** (Ms Fam Wee Wei, Deputy Director of Singapore's Ministry of Trade and Industry), **Dennis** (Mr Dennis Chiu, President of Hong Kong Singapore Business Association), **Philip** (Mr Philip Chan, President of Kowloon Club), distinguished guests, ladies and gentlemen,

A very good evening to you. Welcome to the Hong Kong Economic and Trade Office's Chinese New Year Gathering. I am delighted to see so many old friends and new acquaintances here. Let me take this opportunity to wish everyone a happy, healthy and prosperous Year of the Dog. 恭祝
各位來賓新年快樂、龍馬精神、萬事如意！

The Year of the Dog has started off on a high note. Our Financial Secretary Paul Chan announced the Budget last Wednesday. We did very well in 2017, achieving a robust GDP growth of 3.8 per cent. We also ran a sizable fiscal surplus of HK\$138 billion (S\$23.4 billion) for the 2017-18 financial year. Just like Singapore, the Hong Kong Government has decided to share the fruits of our economic success with the community and give out "ang pow". But we don't distribute "ang pow" in the form of cash handout across the board. We do it with a targeted approach.

The Government adopts a forward-looking and strategic fiscal philosophy. In order to relieve Hong Kong people's burdens, we will use nearly 40 per cent of the surplus, i.e. HK\$52.4 billion (S\$8.9 billion), for one-off relief measures. To name a few, both profits tax and salaries tax for the 2017-18 Year of Assessment will be reduced by 75 per cent, subject to a ceiling of HK\$30,000 (S\$5,085); rates waiver of HK\$10,000 (S\$1,695) for the whole year; two months' extra payment to social security recipients; a one-off grant of HK\$2,000 (S\$339) to each student in need; and increasing various tax allowances.

To optimise the use of our surplus, the Government attaches great importance to investing into the future. We are dedicated to building a diversified economy,

with sectors such as innovation and technology, financial services, trading and logistics, tourism, business and professional services, as well as creative industries topping our priorities.

To boost Hong Kong's innovation and technology sector further, we will earmark an additional HK\$50 billion (S\$8.5 billion) for various initiatives, such as the development of Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop, injection into the Innovation and Technology Fund, supporting two research clusters on healthcare technologies, artificial intelligence and robotics technologies, and reinforcing the role of the Science Park.

As an international financial centre, we keep innovating new products and services to stay ahead of the competition. In the new financial year, a Pilot Bond Grant Scheme will be launched to attract local, Mainland and overseas enterprises to issue bonds in Hong Kong. A green bond issuance programme will also be launched to promote green finance. We will also come up with a Faster Payment System to provide real-time, round-the-clock, cross-institution payment and fund transfer service.

Economic development aside, the Hong Kong Government also takes care of the city's level of liveability. The Budget will allocate an additional recurrent funding of nearly HK\$6 billion (S\$1.02 billion) to the Hospital Authority to improve public health service and enhance manpower supply, among other healthcare measures. A total of HK\$20 billion (S\$3.4 billion) will be set aside for the improvement and development of cultural facilities, e.g. construction of the New Territories East Cultural Centre in Fanling, expansion of the Hong Kong Science Museum and Hong Kong Museum of History. Another HK\$370 million (S\$62.7 million) will be allocated to support arts groups and artists. I'm sure the Government's additional support for the arts and cultural sector will in turn benefit our friends in Singapore and this region, as many of the arts groups will be able to conduct more tours and put up performances in the ASEAN region.

Premier Li Keqiang in his latest remarks said China's economy would aim to grow by around 6.5 per cent this year. Leveraging on the advantage of "one country, two systems", Hong Kong will continue to seize opportunities arising from the Belt and Road Initiative and the Bay Area development, both of which serve to enlarge Hong Kong's hinterland for business development of our enterprises and expand our market coverage. Our Financial Secretary has made

a forecast of a GDP growth of about three to four per cent for year 2018. With the backing of a strong China economy coupled with Hong Kong's solid fundamentals, let's greet the new year with optimism.

Not long before Hong Kong announced its Budget, Singapore made its budget announcement on the fourth day of the Chinese New Year. In just 10 days' time, the Singapore budget which, among other initiatives, introduces a new carbon tax and gives an advance notice of a GST hike to nine per cent in 2021 the earliest has been passed. Though Singapore and Hong Kong share many similarities, we don't expect a similar swift approval from our lawmakers. Instead our Budget will undergo vigorous scrutiny by the Legislative Council in end of April. To better respond to calls from the public, the Community Care Fund is also exploring extra measures amounting to several billions of dollars to help people who have not been covered by the Budget. As one of my new year wishes, I hope that the full range of budget measures can be passed soon.

Before proceeding to our buffet dinner tonight, let me conclude by expressing my gratitude again for your continuous support to the Hong Kong ETO over the years, especially to the events organised last year to celebrate the 20th anniversary of HKSAR. I wish you all an enjoyable evening and would like to propose a toast – to good health, successful business and a smooth sailing in the Year of the Dog. Cheers.

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