

July 23, 2020

Dear Sirs,

I refer to your opinion piece “The darkness behind: Why business in Hong Kong should be worried” (July 18, 2020).

Let me start with this assurance: businesses in Hong Kong have nothing to fear. Social stability is returning to the city and new opportunities are on the horizon.

You correctly state that Hong Kong is a dynamic international business hub in Asia and a global financial centre (273,900 people employed in the financial sector in 2019). As such, it is appropriate that the business community plays its part in the bigger picture, including advising the government on ideas that will help sustain vibrancy and growth of the local economy.

The HKSAR Government has been striving to diversify the economy, with innovation and technology identified as a key growth sector. We are developing a major innovation and technology park with the Shenzhen Government to serve as a regional and international base for co-operation in scientific research.

The unique “One Country, Two Systems” arrangement allows Hong Kong companies to leverage their strengths and global connections to help with the development and capitalise on the opportunities of the Guangdong-Hong Kong-Macao Greater Bay Area.

The National Security Law was promulgated with a view to safeguarding national security and restoring social order such that Hong Kong shall continue to thrive under the “One Country, Two Systems” arrangement. Since the Law’s enactment, our Linked Exchange Rate System continues to operate smoothly. There has not been any noticeable sign of fund outflow either from Hong Kong dollar or the banking system. Stock markets stay vibrant and orderly.

As in the case with any new legislation, it will be natural to hear concerns over the application of the Law. What should be borne in mind is that the Law is only intended to target specified types of acts with an intent to seriously endanger national security. For financial institutions and market practitioners operating in Hong Kong, the Law will not affect the way they conduct business, engage in market activities, allocate their capital, handle data or business information, conduct analysis or express opinion. Neither will the Law affect normal exchange between individuals, organisations or corporations and their foreign counterparts.

In other words, within the confines of existing laws and regulations underpinning our financial system, it would be business as usual for the ongoing operations of our financial community.

So instead of darkness, a ray of light is above us as our city moves on. Hong Kong remains and will continue to be an attractive, welcoming and safe place for businesses from around the world.

Yours sincerely,

Paul Chan
Financial Secretary
Hong Kong Special Administrative Region