

## Arthur Yuen: Promoting economic and social development in Asia

Welcome remarks by Mr Arthur Yuen, Deputy Chief Executive of the Hong Kong Monetary Authority (on behalf of Mr Norman Chan, Chief Executive of the Hong Kong Monetary Authority), at the seminar on "President Jin Liqun on the Asian Infrastructure Investment Bank's Operations and Projects", Hong Kong, 8 November 2016.

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President Jin, distinguished guests, ladies and gentlemen,

Good morning. It is my pleasure to welcome you to this seminar on the Asian Infrastructure Investment Bank (AIIB)'s Operations and Projects, organised by the HKMA Infrastructure Financing Facilitation Office (IFFO). On behalf of the HKMA, I'm honoured to welcome President Jin to Hong Kong to meet with leaders from the financial and business sectors who have an interest in infrastructure project planning and management. I am delighted to see the strong level of interest and the diversity of business leaders represented in the field.

AIIB is an important establishment in promoting economic and social development in Asia. Boasting an initial capital of \$100 billion and a founding membership of 57 countries, AIIB came into operation in January 2016 with a mandate in the development of infrastructure and other productive sectors in Asia, including energy and power, transportation and telecommunications, rural infrastructure and agriculture development, water supply and sanitation, environmental protection, urban development and logistics.

As we are all aware, President Jin has played an instrumental role in shaping up the formation and the guiding principles of AIIB. With the huge financing gap for infrastructure development standing at \$8 trillion in the decade to 2020, AIIB will be looking to play a major role in bridging the shortfall. Under the strong leadership of President Jin, AIIB would provide a global platform to coordinate efforts among existing international financial institutions and government authorities to bring development issues to light; it also has the capability to mobilise the liquidity and field expertise from investors, financiers and project developers from the private sectors to facilitate infrastructure development and their related financing activities.

To the HKMA, President Jin has been a long-time friend. Just four months ago, we had the honour of President Jin as the officiating guest at the launch of IFFO and a key panel speaker at our inaugural conference. President Jin acknowledged that IFFO can be an important contributor to Asian infrastructure by helping to guide liquidity from private and institutional investors into productive investments, while also serving as a platform for communication, cooperation and knowledge exchange.

Today we have the presence of 300 leaders from various sectors including finance, architecture, building and construction engineering, project management and consulting, project development and operation as well as professional services, many of you being the senior management of your leading organisations in the field. Indeed, Hong Kong possesses a critical mass of financial professionals which can support the operations of AIIB in areas such as project financing, bond issuance, investment, financial management and foreign exchange management. Moreover, Hong Kong has expertise in project negotiation, works contracts preparation and management, international law as well as professional arbitration services, enabling us to take part in the planning, implementation and operation of such projects.

The steadfast implementation of the Belt and Road Initiative also creates opportunities for Hong Kong to make best use of its strengths as the global offshore RMB business hub and an aspiring infrastructure investment and financing platform. The setting up of IFFO would provide a platform for pooling the efforts of investors, banks and the financial sector to offer comprehensive financial services for various infrastructure projects.

Since the launch of IFFO by the HKMA in July 2016, work has progressed very quickly and significant progress has been made on all fronts. Just last week, our list of partners expanded from 41 to 54, bringing in new additions from the insurance, banking and legal sectors, as well as international business council and corporation which are experts in the infrastructure development field. IFFO is also an active participant at various industry forums promoting the use of Hong Kong's platform for infrastructure investments and financing both locally and overseas.

This morning, President Jin will share with us his views on AIIB's operations, project planning and management. This seminar will be a useful platform for constructive dialogues among the financial industry, infrastructure-related business sectors, and AIIB, to exchange views on the latest infrastructural development trends, and how we can harness the opportunities arising from the establishment and projects under AIIB.

I shall now hand over the time to President Jin for his most anticipated speech. Thank you.