



HONG KONG, CHINA

James H. Jr. Lau, Alternate Governor

I would like to thank the Government of Fiji for hosting the 52nd Annual Meeting of the Asian Development Bank (ADB) in Nadi, Fiji, marking the first time a Pacific island member hosting the event. I would also like to thank the management and staff of ADB for the excellent arrangements of the event.

The theme of this year's Annual Meeting, "*Prosperity through Unity*", is most apt and timely. The uncertainties over international trade and economic prospects over the past year have rendered trusts and reliable partnerships all the more important at this juncture. The development of Asia is a daunting task that demands great determination, co-operation and most importantly, *unity*, if we are to achieve *prosperity* for all. Working together as a whole and getting the right infrastructure in the right place at the right time is surely keys to the sustainable growth of Asia.

In this regard, ADB plays a key role, bringing countries together to address Asia's infrastructure needs and to improve social and economic development in the region. We are pleased to note that ADB made a record level of commitments amounting to \$21.6 billion in 2018 to improve the lives of millions, and that it is committed to ensuring the growth in its developing members is inclusive and environmentally sustainable, while achieving regional cooperation and unity.

Tackling the infrastructure needs in the region requires concerted and coordinated efforts. No single entity can do this alone. Governments, multilateral development agencies and the private sector need to collaborate strategically and financially to support infrastructure development. As ADB implements its long-term strategy, "Strategy 2030", we trust the ADB will continue to strengthen its leadership in regional cooperation and partnership with key development stakeholders across the region.

As an international financial centre in the region, Hong Kong, China has an active role to play in supporting and promoting infrastructure investment in Asia. Multilateral development agencies including ADB have been making good use of Hong Kong, China's deep financial markets in raising funds for infrastructure projects. In 2018, ADB issued \$472 million amount of bonds in Hong Kong, China, reaching a record high. The Infrastructure Financing Facilitation Office (IFFO) of the Hong Kong Monetary Authority (HKMA) has also been playing a key facilitating role in infrastructure financing. Its network of partners has now exceeded 90. They include development banks, project developers and operators, financiers, institutional investors and professional services firms from all over the world. Since its launch in 2016, IFFO has organised a series of large-scale conferences, seminars and workshops on infrastructure investment and financing, making the match between those in need of capital and those with capital.

Apart from financing green field projects, we are also looking at how we may better assist projects in brownfield stage. The new capital standards for banks do not make it attractive for them to hold on to these infrastructure loans on a long term basis, even though the projects are operating

smoothly and profitably. Yet, there are many other investors, such as insurance companies and pension funds, which are looking for less risky investments that can produce stable long-term cash flow. The Hong Kong Mortgage Corporation Limited, again under HKMA is pursuing the proposition of securitising infrastructure loans to provide banks with opportunity to offload their loans to those long-term investors. That will facilitate additional flow of capital into infrastructure projects.

Leveraging on our status as an international financial centre, Hong Kong, China looks forward to contributing more to ADB's important work in achieving prosperity through unity in the region.