

## Canada China Environmental Forum 2009

Ladies & Gentlemen,

It gives me great pleasure to represent HKETO to join this Forum. You may ask – why HK? Why is HK involved in this?

First of all, HK is a green city. 40 % of HK land is designated and protected as country parks.

We also have many environmental initiatives. And that should be of interest to Canadian businesses like you.

In terms of investment, we have pledged close to 5 billion Canadian dollars on infrastructural projects directly related to our environmental drives in the next 5 years. Some examples of these projects - a district cooling system for a redeveloped area where the old Kai Tak airport was, a sludge treatment facility, and an integrated waste management facility.

Separately, HK and Guangdong have also agreed to develop the Pearl River Delta region into a green quality living area. It is a blueprint endorsed by the central government in Beijing. HK is now working with Guangdong, and we will collaborate in the areas of clean air, clean energy, cleaner production, etc. HKG has already set aside C\$14 billion to support HK firms operating in the PRD to introduce cleaner production measures. The Guangdong provincial government, as well as the municipal governments of Shenzhen, Zhuhai, and Guangzhou, are all setting aside budgets and introducing similar schemes to enhance energy efficiency and to have cleaner production.

The vision of this green PRD quality living area is underpinned by a number of measures that open market access for HK companies. In turn, the free trade and open market environment in HK will facilitate participation by services providers from overseas, like companies from Canada. These measures include the Mainland and HK Closer Economic Partnership Arrangement (CEPA), which enables qualified HK service providers to operate in the Mainland. And any foreign companies can get qualified after they register and operate in HK for the required number of years, or they can get into joint partnership with a HK company.

Beijing also recently announced that Hong Kong companies can take part in China's Clean Development Mechanism, or CDM, projects. It is estimated that, worldwide, these CDM projects will generate by 2012 over C\$35 billion of additional capital flow from developed countries to developing countries through transfer of CERs. As Mainland China is the largest host country of CDM projects, it is estimated that roughly C\$12/13 billion of these capitals will land in China. Hong Kong companies can now access this vast and fast-growing market either solely on their own or in partnership with foreign companies that are more experienced in CDM projects or the technology concerned.

As you can see, there are huge opportunities in HK and Mainland China for Canadian green products and service providers. Today's event is therefore timely, providing a great opportunity

for environmental companies to explore and understand the huge potential market in China. And for the small and medium sized enterprises, I want to remind you again - HK is very experienced in China trade, and we have 250,000 Canadian passport holders in HK who understand well the systems in China and Canada. So, my ending message is – Hong Kong is always there for you.

Again, welcome to this forum. I congratulate the TLI-Mandarin School and Summer Hill Group for organizing this event and wish you all a very successful and fruitful forum.