The principle of “One Country, Two Systems” has given Hong Kong a strategic position as part of China, yet with a system different from that of the Mainland of China, the Director of the Hong Kong Economic and Trade Office in Singapore, Mr Fong Ngai, said today (July 30).

He said Hong Kong has enjoyed the best of both worlds. Its special linkage to the Mainland has provided huge business opportunity, while at the same time its traditional strengths can be retained, making it one of the best international trading, logistics and financial centres in the world.

“If Hong Kong joins the China-ASEAN Free Trade Area (CAFTA), it would give a vote of confidence in each other’s economies. This would in turn induce more investment into ASEAN (Association of Southeast Asian Nations) and help promote stronger links between ASEAN and the Mainland of China via Hong Kong,” he said.

Mr Fong made the remarks at the 2012 Annual Asia Competitiveness Institute Conference organised by the Asia Competitiveness Institute at the Lee Kuan Yew School of Public Policy, National University of Singapore.

The Director said Hong Kong has enjoyed a high degree of autonomy enshrined in the Basic Law. “Hong Kong uses ‘Hong Kong, China’ to conclude and implement agreements with foreign states and regions. Hong Kong is a separate customs territory and has joined international bodies like the World Trade Organization, Asia-Pacific Economic Cooperation, and the World Customs Organization as an individual member,” he noted.

Mr Fong said that Hong Kong has world-class infrastructure, a low and simple tax regime, free flow of information, an educated workforce and rule of law. It is also strategically located at the heart of Asia – reaching half of the world’s population within five hours’ flight time and enjoying close proximity to major cities in the Mainland.

“These strengths have earned Hong Kong top spots in various world rankings. The Heritage Foundation’s annual Index of Economic Freedom has ranked Hong Kong as the world’s freest economy for 18 consecutive years. Hong Kong also came first for the second consecutive year in the World Competitiveness Yearbook 2012 published by the International Institute for Management Development,” he said.

Citing financial services, Mr Fong said Hong Kong’s fundamental strengths have enhanced its strategic importance to China as its global financial centre.

“We are China’s premier offshore RMB centre, a global fund-raising platform and an international asset management centre,” he said. He called on the business sector to use Hong Kong as the platform to tap the huge business opportunity in the Mainland of China which is open to the world and ASEAN countries in particular.

The two-day conference is being held on July 30 and 31, drawing the attendance of some 250 participants with speakers from governments, think tanks, academia and the business sector.