

**Remarks by Mr Vincent Cheng, Chairman
The Hongkong and Shanghai Banking Corporation Limited
Harbour Business Forum Press Conference, 2 June 2005**

Good afternoon Ladies and Gentlemen. Before I explain why the Harbour Business Forum was created, what it stands for and what it hopes to accomplish, let me take a few minutes to briefly talk about our harbour. Its history and its importance.

Some 160 years ago, our harbour covered an area of some 7,000 hectares. Today, more than 3,200 hectares of harbour have been reclaimed. In fact, visitors to Hong Kong are often stunned to learn just how far back the original waterfront was and just how much has been reclaimed from the sea. The reality is that for more than a century and a half, our harbour has been an integral part of Hong Kong's success. Indeed an integral part of this city's existence.

My own early recollections of our harbour are from the 1950s. I vividly remember seeing pieces of bamboo tied together into makeshift rafts and anchored along the shore of Shamshuipo. I also remember - and I hope I don't end up in some sort of trouble for saying this - I also remember my friends and I would often borrow these rafts. We would venture out at night, with our home-made fishing rods in hand, and we would spend hours catching fish. What a wonderful harbour that was and what a wonderful time we had.

Over the years, as Hong Kong as evolved from being primarily a port to become a manufacturing centre and then into a services economy, the waterfront activities also evolved. With successive reclamation projects, the waterfront largely became the designated location for the new infrastructure - from roadways to sewage treatment plants - that was needed to satisfy a rapidly growing Hong Kong. In fact, at the time, it all seemed perfectly logical for a city short of undeveloped waterfront land.

In recent years, however, there has been increasing amount of debate about how our harbour's amenities and its beauty should be preserved. Also debate about the potential conflicts between social and economic priorities for waterfront development.

All of which brings me back to the creation of the Harbour Business Forum. We are - as our name suggests - a coalition of diverse businesses. Our membership, at last count, stands at more than 100 and includes a number of very large corporates in Hong Kong. In addition to having an executive committee and enlisting the Business Environment Council as secretariat, we have also set up working committees to focus on specific tasks. We have, for example, set up a Best Practice committee to look at what has been done by other cities that have experienced similar transformations of their waterfronts. We have also established an External Relations and Communication committee which - as its name suggests - will drive the communication process with the community and with the media.

The overall aim of the Harbour Business Forum is to represent the views of the business community as well as to cooperate and engage with key community stakeholders and the Hong Kong Government.

The issue we are focusing on and working on with others is the sustainable development of our

harbour. Simply put, we want to ensure that our harbour and harbour-front evolves into a vibrant, accessible and sustainable, world-class asset. We believe our harbour is a core part of Hong Kong's heritage, an international symbol of our city and even a source of inspiration to those who live and work in Hong Kong. Accordingly, we want to do what we can to protect and preserve our harbour.

On that note, let me take a moment to point out exactly what we will and will not be doing as a group. We will not be some sort of quasi-NGO. Nor will we legally challenge specific projects related to our harbour. We are about improving process not impeding projects. We will not be repeating the investigative work that others have done. There have already been a number of detailed studies on the impacts of reclamation and pollution on our harbour. We see no need to needlessly replicate such efforts.

We will, however, promote international best practices in harbour development. There is certainly no shortage of examples. We will also be undertaking studies of the value of harbour-front enhancement in other locations as well as the potential environmental, social and economic value of our harbour and harbour-front. Another thing we will be doing is examining the institutional arrangements for evaluation and implementation of harbour-related development and recommend changes where appropriate.

We will also be pursuing full, transparent and effective public participation on the future of our harbour. We will also maintain an open dialogue with the relevant institutions including the Executive Council, LegCo, the Town Planning Board, the Harbour-front Enhancement Committee, District Councils, and so forth. We will work together with other groups that have an interest in our harbour, from the Society for the Protection of the Harbour to various departments of the Hong Kong Government.

Ultimately, the Harbour Business Forum will be the voice of the business community. We also hope that by working with various groups and various people and with the Hong Kong Government, that we can agree upon and implement a common vision for our harbour.

That said, we are conscious of the old saying that a vision without execution is nothing more than a hallucination. Consequently – and this is a key point - we see the aforementioned studies as a first step towards ensuring the sustainable development of our harbour happens by design and not by accident.

One final comment. You may have noticed that throughout my remarks I repeatedly referred to it as 'our harbour' rather than saying 'the harbour'. I did so for a reason.

I believe the sooner that each and every individual in Hong Kong sees themselves as a shareholder of this asset, the easier it will be to work together to enhance, to protect and to preserve our harbour. It is, after all, an asset that we are temporary custodians of for future generations.