



**The American Chamber of Commerce in Hong Kong
Inaugural Address
Robert Grieves, AmCham Chairman for 2019**

January 23, 2019 (Wednesday)

Consul General Tong, Jack, Tara, fellow Board members and Board alumni, past AmCham Chairmen, distinguished guests:

This year represents an important landmark, as the American Chamber of Commerce in Hong Kong celebrates its 50th anniversary.

It is an honor and a distinct privilege to serve as Chairman of AmCham, the largest international chamber in Hong Kong and one of the largest and most active in Asia, during this very special year.

“May you live in interesting times,” as the English version of a supposed Chinese curse has it, but in fact the curse is fake, with no known source. The nearest real Chinese saying, translated, is: "Better to be a dog in a peaceful time, than to be a human in a chaotic period."

Indeed, this is a chaotic period, what with a slowing global economy, a continuing US-China trade war, North Korea's unabated nuclear missile development, and growing military competition in the South China Sea. Not to mention Brexit and the current political landscape in the US.

However, it is also a period full of promise, with new scientific and technological breakthroughs being made seemingly every day, and with exciting new initiatives being announced. As an American I am by nature an optimist, and I believe that by working together with our chamber's members, the Hong Kong government and leaders in the Hong Kong business community, the American Chamber in Hong Kong can accomplish great and worthy things this year.

Being elected Chairman of AmCham reminds me of the parrot story Dan Tully, a former chairman of Merrill Lynch, used to tell when I worked for him more than twenty years ago.

One day a man goes to a pet shop to buy a parrot.

The assistant takes the man to the parrot section and asks the man to choose one. There are three parrots in three separate cages.

The man asks, "How much is the yellow one?" The assistant says, "\$2,000."

The man is shocked and asks the assistant why the parrot is so expensive.

The assistant explains, "This parrot is a very special one. He knows typewriting and can type really fast."

"What about the green one?" the man asks.

The assistant says, "He costs \$5,000 because he knows typewriting and can answer incoming telephone calls and take notes."

"What about the red one?" the visibly shaken man asks. The assistant says, "That one's \$10,000."

The man looks closely at the red parrot, which appears fairly mean and shabby, and asks, "What does HE do?"

"I don't know," the assistant admits, "but the other two parrots call him 'Chairman.'"

AmCham's 50 Years of Success

Ladies and gentlemen: For the past five decades the American Chamber of Commerce in Hong Kong has championed the free flow of information, freedom of expression, the rule of law, and a level playing field for American businesses operating in Greater China and throughout Asia. It has defined for itself a unique role as an honest broker, defending Hong Kong's interests in Washington and Beijing, and advocating on behalf of American business and the interests of its membership throughout Asia.

In its earliest days AmCham Hong Kong worked with the Asia Pacific Council of American Chambers, or APCAC, to defeat the Gore Amendment, which proposed to eliminate the statutory tax exemption for income earned by overseas Americans.

In March of this year we will, for the first time since 1982, host APCAC in Hong Kong. This meeting will allow us to showcase Hong Kong to our sister chambers, and to deliberate with fellow executives across the region the best way forward to support American business in the region. It is a great opportunity for this chamber to assume a leadership position among the American chambers in Asia.

Since the handover of Hong Kong to China in 1997, the American Chamber has fully supported Hong Kong's "one country, two systems" formulation as enshrined in Hong Kong's mini constitution, the Basic Law.

AmCham supported, and lobbied for, China's entry into the World Trade Organization, which occurred on December 11, 2001. This act arguably paved the way for China to, over the course of decades, lift hundreds of millions of its people out of poverty.

In sum, this Chamber over five decades has charted a clear path of advocacy and lobbying success on behalf of causes in which it believes, and which support its values, including making the case for Hong Kong as a territory distinct from Mainland China, a territory that itself supports the values I have just enumerated: rule of law, freedom of the press, the free flow of information and goods, and a level playing field for business.

Throughout this year we will hold events celebrating our 50th anniversary. We will have content posted on our website, in the AmCham magazine, in podcasts and on social media

that include the reminiscences of past chairmen and an exhibition on the history of the American Chamber that will debut in March in the Rotunda of Exchange Square.

However, for our 50th anniversary we are not only looking back in time, we are looking forward. AmCham Hong Kong would like to continue to play a strong and influential role in the next 50 years. On this front, we are looking at how technology is changing the way people work, and the skills required to manage successful businesses in the next half century.

We will also launch a Future Leaders program this year, which will bring together a talented crop of young people for a year-long program devoted to building leadership skills across a variety of sectors as well as develop a pipeline of future Chamber leaders.

At AmCham we view looking ahead as just as important as looking back.

In that spirit, we will organize events that are relevant to Hong Kong and the Greater Bay Area, and to the role Hong Kong can play in the Greater Bay Area.

Later this year we will hold our annual AmCham Ball. It will have as its theme “Motown,” in honor of the late Aretha Franklin and other great American artists who came out of that very American musical genre that has become wildly popular the world over. My hat is off to Jenny Wong of Universal and David Cruickshank of BNY Mellon for putting the ball together. Let’s give them a round of applause for their hard work and the hard work of everyone involved.

We will also celebrate the next 50 years of working together with our members in Hong Kong, Greater China and throughout Asia.

Advocacy in 2019

This year, we want to sharpen our advocacy efforts in both Washington and Beijing.

AmCham advocacy on behalf of Hong Kong as a unique territory operating under “one country, two systems” has become increasingly more important as Hong Kong faces pressure from the north and from Washington as a result of trade war friction and as the Hong Kong economy becomes increasingly more integrated with the Mainland China economy.

We will refine our messages for the Washington Doorknock this year according to the latest developments amid US-China trade tensions. We look forward to a strong delegation of business executives joining us to make our case as clear and convincing as possible to lawmakers on Capitol Hill.

We believe this outcome is possible because our members understand that our advocacy of issues such as freedom of speech goes well beyond the media to affect the entire business environment in Hong Kong and beyond.

In our interactions with our stakeholders we will want to position Hong Kong as a hub for business in Asia and continue to emphasize the city’s traditional role as a gateway into and out of China. We believe this aligns with the US Indo Pacific Strategy and the Asia Reassurance Initiative Act, recently passed by Congress, as well as the Hong Kong government’s goal to broaden and deepen collaboration with ASEAN countries after signing a series of FTA agreements.

The US in Hong Kong

Throughout the year we will also focus efforts on the other side of the advocacy equation: rallying US corporations, educational and technical organizations to work with the Hong Kong government to fulfill some of its most important objectives as outlined in Chief Executive Lam's policy speech.

In addition, we will seek to bring more US officials to Hong Kong, to better socialize Hong Kong with US elected officials at the federal level, an effort we expect will bear fruit as the year progresses.

Let me briefly summarize some of the areas in which we see great opportunities for Chamber and member collaboration with the Hong Kong government.

The Greater Bay Area

The future is now for Hong Kong with respect to opportunities afforded by the Greater Bay Area, and for AmCham member firms that could assist in the build-out of the GBA blueprint.

More than three years in the making, the Greater Bay Area was first mentioned in a development action plan jointly outlined by China's top authorities on economic planning, commerce and foreign affairs to create a new economic growth engine by pooling together the resources of Hong Kong, Macau and nine neighbouring cities in Guangdong province.

The mega zone covers 56,500 square kilometres, has a combined population of 67.6 million people and accounted for 12.5 per cent of China's gross domestic product in 2016, or about 1.5 trillion US dollars.

According to news reports of the plan, which will be announced in more detail next month, Hong Kong, Macau, Guangzhou and Shenzhen will be the central cities in the bay area, each with their own unique positioning.

Hong Kong will be the international finance, navigation and trade centre, as well as a transport hub. It will have the role of pushing finance, trade, logistics and professional services towards the high-end market.

The Chamber looks forward to working with our member firms to seize opportunities as they arise and to assist Hong Kong as it helps lead on this historic initiative.

Healthcare

We see opportunities for US healthcare firms to collaborate with the Hong Kong government in applied research and technological development. Last month Hong Kong University and Harvard University announced that they are setting up a laboratory in Hong Kong Science and Technology Park in an ambitious joint effort to make detection of diseases such as cancer faster, easier and more precise. At the signing ceremony, which was attended by Consul General Tong, the Chief Executive said her administration was committed to attracting world-leading research institutes to Hong Kong to conduct collaborative research.

And, earlier this month, the first international research center in Hong Kong to focus on neurodegenerative diseases such as dementia was announced. The center will be established jointly by the Hong Kong University of Science and Technology, where it will be located,

Harvard Medical School, the Stanford University School of Medicine, and University College London.

STEM Education

American educational institutions can play an important role in preparing Hong Kong students for the workplace of the future. With the Booth School, the University of Chicago's business school in Hong Kong, AmCham intends to partner on development projects that will involve Hong Kong students earning an EMBA from Booth. Cooperation may range from STEM education for women to applications of fintech in the financial services space. We intend to bolster this initiative with at least one STEM education event held in conjunction with our Future of Work series.

Designing a Liveable City

American urban design expertise can be leveraged to make Hong Kong a more liveable city. Former Harbourfront Commissioner Nicholas Brooke a few years ago visited an AmCham Board meeting to discuss the government's goal of making Hong Kong one of the most liveable cities in Asia. The Savannah College of Art and Design, located in the remodeled premises of the North Kowloon Magistracy, and a Leadership Forum member of AmCham, offers the largest concentration of art and design degree programs in the region. The intent is for its graduates to help revolutionize design in Hong Kong.

Last July I presented AmCham's case for the Hong Kong government to reconsider the way it thinks about harbor-front development with regard to the awarding of construction contracts for commercial site number three. I made the presentation to Chief Secretary Matthew Cheung at a meeting of the International Business Chambers in Tamar. As the site is an iconic project for Hong Kong, I urged that it should be a Chief Executive-led project instead of a Planning Department-led project, one that should be viewed as an opportunity to brand Hong Kong and create a legacy for this Administration.

On behalf of AmCham I also asked that government come up with a holistic vision for the Victoria Harbor front development in a design-led approach that would invite a world design competition following the great examples of Sydney, New York, London, Amsterdam and others. We believe project quality excellence, environmental safeguards and the public interest should be important components of a project that faces iconic Victoria Harbour – similar to projects in New York, London or Sydney. A highest bid approach that puts design as a lower priority sets a bad standard for Hong Kong as a world-class city. This year AmCham will continue to pay close attention to this issue.

The Future of Work

This Chamber will engage with the Hong Kong government on the future of work, on issues of employment for its young people, and on how to care for an aging population,

Our Future of Work Conference will be held six days from now, and promises to be an instant signature event. At the conference we will spotlight a book written by our Vice Chair, Diana David, called *Future Proof: Reinventing Work in the Age of Acceleration*, which launches the same day as our conference.

From this cornerstone event we expect to develop a series of smaller Future of Work presentations throughout the rest of the year that will emphasize different aspects of this

complex issue, including social concerns such as housing and family formation, the future role of technology, gender equality, fair pay, and the costs of retirement, among other issues.

Talent continues to stand out as a priority issue for Hong Kong as it seeks to enhance its competitiveness. Hong Kong should continue to reform its educational system in accordance with its needs and current occupational trends, and consider expanding the import of talent. The Hong Kong government should also look into opportunities to expand the “Hong Kong model” – for example, staying ahead in global education rankings and aligning with international standards – in Greater Bay Area cities. In this regard, US institutions of higher learning, supported by AmCham, can play a role by forming strategic partnerships and opportunistically seizing opportunities.

US business is keen to work with the Hong Kong government and other community stakeholders to showcase and pioneer role models on the future of work. Essential areas of focus include how students should prepare themselves in a rapidly changing environment and how employers should prepare for a new generation of talent and technologies that will transform the way we work and the way we think about work.

Smart City

AmCham will seek to extend and enhance the leadership position it has established in this area. Last year we held our inaugural Smart City event at the Hong Kong Convention and Exhibition Center, which was attended by more than 500 officials, academics and executives. Hanson Robotics’ Sophia interviewed Chief Executive Lam without melting down or uttering expletives, and schoolchildren competed for awards for designing the best smart city models. Tom Murphy, the former mayor of Pittsburgh, who oversaw the city’s renaissance from a rust belt city to a tech center, described the journey with eloquence and passion. A task force led by Leonie Valentine of Google, and advised by Jack Lange, will organize smaller Smart City events this year focused on different aspects of the smart city model.

The Environment

Hong Kong’s environmental issues manifest themselves in polluted water, garbage-strewn beaches, and unhealthy air. Through AmCham’s Environment & Sustainability and CSR committees the chamber will advocate practical ways to make Hong Kong cleaner and healthier. AmCham member firms are already vocal in this advocacy effort.

Trade

The Sino-US trade war grinds on with no visible end in sight. A major theme that will continue to emerge in 2019 is tracking illegal imports of US technology to China through Hong Kong, which becomes more problematic as a result of the greater integration of Hong Kong and China. Member firms of our Trade and Investment Committee will examine this issue throughout the year.

Housing

The cost and availability of residential housing is a well-documented story that has come into sharp focus over the last year with the government’s proposal to build an island off the coast of east Lantau to house Hong Kong residents. Our Real Estate Committee has already hosted a very interesting presentation on this topic, involving a great panel of speakers. The

committee's members include some of the largest real estate developers in Hong Kong. We will want to explore this issue further, through presentations and seminars, in 2019.

US Global Taxation

In other advocacy, this Chamber has for most of its history argued that the US global taxation regime for US citizens working in Asia must be changed. Late last year legislation was introduced in the US House of Representatives that would fundamentally change taxation of US citizens abroad. Under the proposed legislation, the approach to taxing US citizens abroad would be more aligned to that of other nations. Although experts think the proposal has very little chance of being enacted into law in the foreseeable future, it is notable as the first proposed legislation of this nature. This year we will invite our Board Member, Richard Weisman, a tax expert with Baker McKenzie, to brief US members on the implications of this legislation.

A Few People to Thank

To make a great chamber it does not, with apologies to Hillary Clinton, take a village. But the number of people involved comes close to the population of a village. In addition to our talented AmCham staff and dynamic Board, we are fortunate to have 13 past Chairs still living in Hong Kong, many of whom remain very active with the Chamber and several of whom are here with us today. I would now ask them to stand, and for us to give them a round of applause.

Thank you all for your past and continuing contributions to the Chamber

I also want to acknowledge the capable colleagues working with me on AmCham's Board, as well as the 54 committee chairs and vice chairs. They are very busy people who generously volunteer their time, experience and wisdom. They collectively and individually demonstrate the fact that to achieve great results, you need a dream team on your side. And today I am happy to tell you that I have one.

At this time there are a few other people I would like to specifically highlight.

As I have mentioned, Diana David, who heads her own education consultancy, Sarana Labs, will serve as Vice Chair this year. She heads our 50th Anniversary Committee, and plays a substantial role in our publications and content, overall communications policy and Board committee activity.

Owen Belman, North Asia CEO of Aon Risk Solutions, has agreed to serve for a fourth consecutive year as our Treasurer. He has generously contributed his time and good judgment to ensure that we can keep the lights on and the copy machines running. Owen and his son are very involved in the great American past time, baseball, which is dear to my heart since my father worked for the St. Louis Cardinals major league baseball team.

We have three Board members who departed in 2018, and we gratefully acknowledge their contributions. They are Catherine Simmons, Steven Chan and Clara Ingen-Housz. Catherine has agreed to continue to advise us on issues related to APCAC and advocacy in the region, for which we are very grateful indeed.

We have four new members joining the Board and we very much look forward to working with them.

The new Board Members are:

- Sabrina Lin, Vice President for Institutional Advancement, Hong Kong University of Science and Technology.
- Anne O’Riordan, Senior Managing Director of Accenture’s Life Sciences industry group in Hong Kong
- Leonie Valentine, Managing Director, Sales and Operations, Google Hong Kong.
- Christopher Laskowski, Managing Director, Citi Global Markets, Hong Kong.

Let’s welcome them to AmCham with a round of applause.

I would like to thank Peter Levesque for ably chairing the Nominating Committee again in 2018. As always, Peter, you made an enormous contribution to AmCham, which was doubly impressive because your beloved Red Sox were in the playoffs and then in the World Series during the Committee’s deliberations. You never once became distracted from the task at hand, except when people told you the score of the previous day’s game before you had a chance to watch it on video. Glad I wasn’t in the room when those disclosures occurred.

Also, a big thank you to Tara, our President, who continues to lead her stellar AmCham team to new heights of achievement. I cannot believe Tara has held her current position for fewer than two years. Tara, you continue to outperform in your role as President of AmCham, and we thank you for your service.

The hard-working AmCham staff also deserves a special thank you. None of us could do what we do at AmCham without you.

Of course, I must personally thank our new Chairman Emeritus, Jack Lange, the silver-haired solicitor from the Shenandoah Valley, who guided us so well as Chairman in 2018, for his encouragement and strategic direction. Jack will direct our efforts regarding rule of law and Smart City issues in Hong Kong this year as well as chair AmCham’s Charitable Foundation. In addition, we plan to further weaponize Jack’s talent as a senior statesman this year. Watch this space for future announcements.

Welcome again to our friends from the US Consulate who are here today. Their presence testifies to the continued great working partnership between AmCham and the Consulate.

Finally, I must thank my wife, Anne LeBourgeois, who this year is co-chair of the Women of Influence Committee and who graciously puts up with my absences from our business to tend to AmCham affairs.

In closing, I would like to share a quote from Elihu Root, who was born on the campus of Hamilton College, my alma mater, graduated from Hamilton and later became Secretary of War under William McKinley and Secretary of State under Theodore Roosevelt. He won the Nobel Peace Prize in 1913 for his work in bringing nations together through arbitration and cooperation.

Root famously observed, “Men do not fail; they give up trying.”

Ladies and gentlemen, in this 50th anniversary year of AmCham in Hong Kong, we will work tirelessly on behalf of our members and the Hong Kong community, and we will not give up until we have achieved our goals.

Thank you all very much, and I look forward to serving the Chamber in 2019.

I would now ask all of the current Board members present, all of the committee leaders and members present, all of the former chairmen present, Consul General Tong, Jack, Tara, Diana and Owen to join me at the front of the room.

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