The following is the speech delivered by the Permanent Secretary for Home Affairs, Mrs Carrie Yau, at a luncheon held at Sofitel, Budapest, Hungary today (November 3):

Secretary Bogyay, Secretary Schneider, Secretary Manherz, Distinguished Guests, Ladies and Gentlemen,

It is my honour and my pleasure today to address you over lunch on cultural development in Hong Kong. I must first thank the Ministry of Education and Culture for the warm hospitality. I look forward to meeting the cultural leaders of your country over the next two days during the visits to the Bela Bartok School of Music, the Liszt Ferenc Academy of Music and the Palace of Arts. I must also thank Mr Adam Tertak, your Consul-General in Hong Kong, for suggesting Hungary in the first place.

The reason why I, and my delegation from Hong Kong, have come to Budapest at this particular juncture is no coincidence. As never before, my Government has made a bold and huge commitment to cultural development. We have vouched for the development of Hong Kong into an international cultural metropolis with a HK\$21.6 billion (or over 2 billion euro) investment to convert a 40-hectare harbourfront prime site into a cultural district, called the West Kowloon Cultural District (WKCD). The first phase of this development will come on stream in 2015. When complete, the WKCD will boast of an addition of 15 new performing arts venues of different types (including theatres, concert hall, Xiqu centre for Cantonese opera and other traditional Chinese opera performances). There will also be piazza areas of different sizes for different outdoor performances, a new and forward-looking cultural institution with museum functions temporarily called 'M+', focusing on 20<sup>th</sup> to 21<sup>st</sup> century visual culture, including design, popular culture, moving image and visual art, and a large exhibition centre.

Apart from making a strategic investment in terms of finance and land allocation, we have taken a significant stride in the development of arts and culture in terms of policy change. For Hong Kong, we have always subscribed to a cultural policy that embraces freedom of expression, celebrates cultural diversity, encourages community participation and facilities the arts sector with a view to bringing about a conducive environment. With WKCD, we are no longer just a facilitator of culture and the arts. We are no longer just a provider of a conducive environment. We are de facto creating the necessary arts space. What is more, we are also parting with the existing funding model of government run performance venues and museums. We have set up an independent WKCD Authority which comprises of mainly non-official members to advise us on not just the construction and planning of the WKCD but also, the future mode of operation and funding for the different cultural venues there. For sure, there will be substantial involvement of the non-government sector. The financial model for the development and future operation of the WKCD is that apart from the upfront capital endowment by the Government, the district is expected to achieve financial sustainality on its own. The WKCD Authority will have a mandate to plough back earnings from the proceeds recouped from retail, dining and entertainment facilities at the site to support the recurrent funding required for the performing arts venues and M+, including operation and programming. This is a brand new model for Hong Kong and we are all excited about it. To us, 2008 is not only the Olympics Year or the Equestrian Year (as Hong Kong was the co-host city for the 2008 Olympic Equestrian event). It is also the Cultural Year, the turning point.

I am happy to be on the roads again after the Olympics to carry on this important mission for Hong Kong, and that is, to build cultural partnerships with our friends in the cultural sector here in Hungary and elsewhere to make our city a true cultural metropolis that is well connected with the international arts and cultural community. I hasten to add that I have lately read from AT Kearney, the Foreign Policy magazine that Hong Kong ranks 5th in the top 10 "global cities" after New York, London, Paris and Tokyo. The rankings are based on five broad criteria - business, culture, human capital, global

political influence and centrality to global informational flows. We are encouraged by this ranking and will strive to continue to do our best. This ranking in fact follows the heels of an article carried in the 'TIME' magazine in January where the term 'NYLONKONG' was coined comparing how similar the 3 places, namely, New York, London and Hong Kong are, in terms of how we stay in the forefront of international finances (and recently, facing similar challenges of the financial tsunami). There is a rider in the article though that Hong Kong still lagged behind the other two in terms of our cultural development. With WKCD, I am sure we will make up grounds.

For us, WKCD has yet another level of significance. We shall be using the future iconic waterfront Cultural District to showcase to the world the best in Chinese culture and to bring the best cultural and arts programmes and exhibitions the world over to this Special Administrative Region of China. Our vision is to make the WKCD an effective platform for enhanced cultural exchange between China and the world. And here, I wish to give you a very good example of the long and successful tradition that Hong Kong has in serving as an effective intermediary to bring ethnic Chinese culture to the world. The case in point is the internationalization of Cantonese opera, an opera form indigenous to the southern part of China to which Hong Kong belongs. Recently, we have in collaboration with the Guangdong and Macao cultural authorities, and through the Ministry of Culture of China, put up Cantonese Opera as one of the candidates to the UNESCO for inscription on the Representative List of the Intangible Cultural Heritage of Humanity. I have also personally spoken to the Chief Executive of the Royal Opera House in London on his recent visit to Hong Kong on our wish to stage the best of our Cantonese opera performances at the Royal Opera House in London. I shall likewise be very keen to bring our Cantonese Opera all-time classic programmes to the Hungarian Opera House.

I cannot stress more the importance we attach to cultural programme exchange and talent exchange with your country. To this end, the discussions with honourable State Secretaries this morning have been most helpful. I understand that it is also the wish of

Professor Kevin Thompson from the Hong Kong Academy for Performing Arts, who is here with us today, to develop partnership arrangements with the Lizst Ferenc Academy of Music. With the WKCD project, we are working full steam to strengthen the local human capital fabric to carry the vision of WKCD.

We already have started internship and scholarship programmes with the Mainland of China, the United Kingdom, the United States and some Western European nations. We hope to build on the existing framework and conclude further cultural exchange initiatives with your country, from museum collaboration to reciprocal internship arrangements. In proposing closer cultural collaboration with Hungary, I am mindful not only of the Memorandum of Understanding on Cultural Exchange we signed in 2005, I am also reminded on how in AD896, a group of Eastern tribes called the Magyars arrived in the fertile Carpathian basin in Central Europe to build the nation of Hungary. The Magyar nation was the farthest outpost of Eastern culture. You have dual influence of the east and the west in your architecture, in your art and in your philosophy. To Hong Kong, this sounds familiar as we are also a classic case where the East meets the West, not only in trade but also in culture. As I have said at the beginning, it is not coincidence that has taken me and my delegation to Budapest. There is a cultural similarity that brings me here and I look forward to giving further impetus to this beautiful relationship that already exists between Hungary and Hong Kong after our three day visit.

And on this note, may I wish you a pleasant afternoon. I would like to end my speech by showing you a short video on the life and vibrancy of Hong Kong. Thank you.

Ends/Monday, November 3, 2008