

## **Press release**

### **SFST highlights Hong Kong's strength as an international financial centre in Brussels**

Wednesday, May 6, 2009

One of the keys to enhancing Hong Kong's competitiveness as an international business and financial centre was to foster closer co-operation with the Mainland of China, said the Secretary for Financial Services and the Treasury, Professor K C Chan, in Brussels, today (May 5, Brussels time).

Addressing at a business luncheon hosted by the Hong Kong Economic and Trade Office in Brussels and the Belgium-Hong Kong Society, Professor Chan said that the Government has been working hard to advance financial co-operation between the Mainland and Hong Kong

“We will continue to work towards aligning our two financial systems to become a more efficient and low risk corridor for investment into and out of the Mainland,” Professor Chan said.

Professor Chan told the audience that one promising area was to expand Renminbi (RMB) business in Hong Kong. He said that the Central Government has announced a pilot scheme for using RMB for cross-border trade settlements and Hong Kong would be the first place outside the Mainland to benefit from the scheme.

Professor Chan said, “Both our financial industry and trade between the two places will benefit immensely from this breakthrough. The close trade partnership between Hong Kong and the Mainland has laid a solid foundation for developing RMB-denominated transactions. Enterprises in Hong Kong will soon be able to settle trades in RMB through the banks with the mainland companies in the pilot scheme.

“This initiative will reduce settlement risk, and help increase the scope of Hong Kong's financial services and enhance Hong Kong's role as the financial gateway to the Mainland. We will announce the implementation details as soon as they are finalized,” he said.

In battling the global financial crisis, Professor Chan said that Hong Kong upheld co-operation over isolation and free trade over protectionist measures. “We are working closely with other economies and the international financial community in responding to the crisis in a co-ordinated and mutually reinforcing manner, with a view to reaching a consensus on a new financial architecture to better suit our globalised world,” he said.

Professor Chan departed for London in the afternoon and upon arriving London in the evening, he attended the Parliamentary Dinner with All Party Parliamentary China Group hosted by the Hong Kong Association.

During his visit in London, Professor Chan will call on the Financial Services Secretary to the Treasury of the HM Treasury, Lord Myners, Chairman of the Financial Services Authority, Lord Turner, and members of the Parliament. He will also meet with leading executives from the London Stock Exchange, British Bankers' Association and representative of the Lord Mayor of City of London.

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