

Press release

USFST outlines in Zurich ambitions for China's global financial centre Tuesday, November 8, 2011

The Under Secretary for Financial Services and the Treasury, Ms Julia Leung, outlined Hong Kong's unique position as China's global financial centre, and explained the opportunities that come with such a position to an audience of financial professionals in Zurich, Switzerland on November 7 (Zurich time).

Speaking to an audience of over 100 senior financial services executives at the opening of the "Hong Kong: China's Global Financial Centre" conference, Ms Leung said, "This is an exciting time for Hong Kong as we witness the birth of an international currency and the breathtaking growth of an offshore market akin to the Eurodollar market in London in the 1960s. Hong Kong's ambitions as an international asset management centre are paralleled by our aspirations as an offshore Renminbi (RMB) centre and IPO centre. These three form the pillars we are building on to develop Hong Kong as an international financial centre."

Ms Leung continued, "China's vision to internationalise the RMB is bold, and in my view, its significance is no less than the economic opening in 1979. Its implications on the international currency reserves system will be profound."

Ms Leung also shared her views on the opportunities for the private banking business in Hong Kong. She noted that Hong Kong provides easy access to the large and concentrated group of high net worth individuals from Mainland China.

Also speaking at the conference were the Executive Director of the Monetary Management Department at the Hong Kong Monetary Authority (HKMA), Mr Edmond Lau, and the Executive Director of the Supervision of Markets Division at the Securities and Futures Commission (SFC) in Hong Kong, Mr

Keith Lui.

"Hong Kong has been chosen as the testing ground for the offshore RMB business because under the "One Country, Two Systems" concept, Hong Kong is the ideal place for building the bridges to link the onshore and offshore RMB markets, including the bridge to facilitate RMB trade settlement, enhance direct investments in RMB and promote RMB portfolio investments," Mr Lau said at the Zurich conference.

"Hong Kong offers a unique platform for international investors seeking to tap into the rapidly growing China market," Mr Lui said to the assembled executives. "The appeal of Hong Kong to international investors lies in its strong institutions and robust regulatory framework that underpin the rule of law and investor protection. The asset and wealth management business in Hong Kong has enormous growth potential and will be well served by Hong Kong's huge international talent pool of investment and other professionals, business friendly environment, fair and transparent markets, and excellent market infrastructure."

The conference focused in particular on the development of Hong Kong as Asia's asset management hub. The latest SFC survey showed that Hong Kong's fund management business managed a total of US\$1.3 trillion in 2010, up 18.6 per cent from a year earlier. Two-thirds of those assets managed in Hong Kong were sourced from non-Hong Kong investors and about 60 per cent of these assets were invested in Hong Kong and China, with the bulk of the remainder in the rest of Asia.

The Financial Services and the Treasury Bureau, supported by Invest Hong Kong, the HKMA and the SFC, will be holding similar promotional events in Geneva on November 9 and in Luxembourg on November 10.

For event photos, please visit www.flickr.com/photos/investhk/sets/72157627854799169/. Follow us on www.twitter.com/InvestHK. View content at www.youtube.com/user/investhk.

About Invest Hong Kong

Invest Hong Kong is the department of the Hong Kong Special Administrative Region Government established in July 2000 to take responsibility for Foreign Direct Investment and support overseas and

Mainland businesses to set up or expand in Hong Kong. It provides free advice and customised services to help businesses succeed in Hong Kong's vibrant economy. As it celebrates its 11th year of operation, Invest Hong Kong has completed over 2 300 investment projects, creating more than 28 000 new jobs in the first year of operation or expansion and HK\$60 billion of investment. For more information, please visit www.investhk.gov.hk.

About the Financial Services and the Treasury Bureau

The Financial Services and the Treasury Bureau (FSTB) is responsible for developing and executing government policy on finance and the Treasury for the HKSAR. The FSTB works closely with market regulators and participants to strengthen Hong Kong's role as an international financial centre. On the Treasury front, it formulates and implements policies and procedures to ensure effective control and management of public revenues and expenditure. For more information please visit www.fstb.gov.hk.

About the Hong Kong Monetary Authority

The Hong Kong Monetary Authority is the government authority in Hong Kong responsible for maintaining monetary and banking stability. It was established on April 1, 1993 by merging the Office of the Exchange Fund with the Office of the Commissioner of Banking. Reporting to the Financial Secretary, its main functions and responsibilities are governed by the Exchange Fund Ordinance and the Banking Ordinance. For more information, please visit www.hkma.gov.hk.

About the Securities and Futures Commission

The Securities and Futures Commission is an independent non-governmental statutory body outside the civil service, responsible for regulating the securities and futures markets in Hong Kong. It is responsible for administering the laws governing the securities and futures markets in Hong Kong and facilitating and encouraging the development of these markets. For more information please visit www.sfc.hk.

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