

## **Press release**

### **Enthusiastic exchanges among world business leaders at Asian Financial Forum**

Monday, January 19, 2009

International business leaders attending the Asian Financial Forum, which began today (January 19), had enthusiastic exchanges on the opportunities and challenges faced by the Asian region in encountering the financial crises.

The forum was attended by more than 1,000 people. Carrying the theme "The Changing Face of Asia", the forum was co-organised by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council. It aimed to explore the opportunities arising from today's challenging financial environment by bringing together the world's most influential monetary minds, as well as financial and business leaders.

Delivering the opening speech at the forum, the Chief Executive, Mr Donald Tsang, said that Asia was changing for the better in terms of its long-term financial and economic prospects and potential.

On the role of Hong Kong, Mr Tsang outlined a number of its strengths, such as the consistent rating as the freest economy in the world, a sound legal system, freely convertible currency, liberal immigration policies, a deep and broad pool of talent and the robust development of the economic performance and stock market.

"These are some of the credentials that affirm our position as the only international financial centre amid Asia and China," Mr Tsang said.

On the way forward, Mr Tsang said Hong Kong would further develop the Renminbi business to increase Hong Kong's scope of services and expand its role as a financial gateway to the Mainland and as a leading financial services hub in Asia. He also noted that by establishing a platform for Islamic finance, Hong Kong would extend its role as a global financial centre.

Mr Tsang gave an account of what Hong Kong had done to take the sting out of the global financial storm. The measures included enhancing the regulatory framework, guaranteeing all bank deposits in Hong Kong until the end of 2010, setting up a Contingent Bank Capital Facility to make additional capital available to banks should they require it, introducing a package of measures including a \$100 billion loan guarantee for enterprises to help unfreeze credit, and fast-tracking infrastructure projects to relieve unemployment.

"With our sound fundamentals, a high-quality labour force, the 'can-do' spirit of our people, and the new opportunities arising from the Guangdong, Hong Kong and Macau regional development, I am confident that Hong Kong will rebound strongly from the economic downturn," Mr Tsang said.

Also speaking at the cocktail reception, the Financial Secretary, Mr John C Tsang encouraged companies and economies to find ways to adapt to their environment to survive and prosper by quoting renowned naturalist Charles Darwin's theory: "In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment."

Echoing the Chief Executive's view to develop Hong Kong's role as China's international financial centre, Mr Tsang said this had two underlying parts.

"First, to lend our experience, know-how and the talent of our people to refining the financial infrastructure of our nation. We want to establish a more efficient, more transparent and more robust financial system that will complement the rapid economic growth of our nation.

"The second aim is to expand our international horizons so that Hong Kong can strengthen its position as a global financial centre in the Asian time zone," Mr Tsang said.

The forum today comprised a plenary session, policy dialogue on the financial reform, panel discussions on the global investment opportunities and Islamic finance, a cocktail reception.

The Secretary for Financial Services and the Treasury, Professor K C Chan, thanked all the parties involved in making the forum successful.

"The forum provides a useful platform for the participating financial and business leaders to exchange their views and experiences in encountering the challenges and opportunities ahead.

"The discussion outcome is very constructive and should help lay an important corner-stone for the global financial market co-operation and development," Professor Chan said.

Other speakers and moderators at this year's forum included the Co-founder of Quantum Fund, Mr James B Rogers; the Deputy Chairman of the Government of the Russian Federation, and Minister of Finance of the Russian Federation, Mr Alexei Leonidovich Kudrin; the Director of Institute for Indian Economic Studies of Waseda University, and Former Vice-Minister of Finance for International Affairs of Japan, Professor Eisuke Sakakibara; the Chairman of Morgan Stanley Asia Ltd, Dr Stephen Roach; and the Chairman of the Hong Kong Exchanges and Clearing Limited and Non-Official Member of the Executive Council, Mr Ronald Arculli.

The forum will continue tomorrow with a panel discussion on the prevailing issues of the financial sector, an interactive session on topical issues including energy, natural resources and environmental protection, a workshop on cash management and matchmaking sessions.

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