

Press release

Hong Kong-Canada co-operation to grasp economic opportunities

Tuesday, March 9, 2010

China is gaining increasing influence on the global economy and it is time for Hong Kong and Canada to strengthen co-operation by collaborating and complementing each other to make the most of these opportunities, the Secretary for Financial Services and the Treasury, Professor K C Chan, said in Toronto today (March 8, Toronto time).

Speaking at a seminar on Listing and Capital Raising in Hong Kong for Mining and Natural Resources Companies of the Prospectors and Developers Association of Canada Convention, Professor Chan said Hong Kong could serve as the financial gateway for Canadian companies to reach the Asian market in the same way that Canada served as a gateway for Hong Kong companies to invest in the North American market.

He called on Canadian companies to consider listing in Hong Kong to tap the local liquidity pool, quoting the examples of British Columbia and Ontario of Canada which are overseas jurisdictions already accepted by the Hong Kong Exchanges and Clearing Limited (HKEx).

"At the same time, companies listed in Hong Kong and other Asian markets can also consider a listing on the Canadian exchange to tap the liquidity there. We would also welcome Canadian fund management companies to market their services to Asia through Hong Kong," he added.

Turning to market regulation, he said Hong Kong believed in being predictable and consistent in regulation, and had been careful in striking a balance between the goals of having a quality market and being market friendly.

Using the HKEx as an illustration, he said listing decisions were made by a committee of market professionals who applied their expertise in reviewing listing applications in a dual filing system overseen by the securities regulator.

He described such regulatory environment in the listing process as working well. "The HKEx has full control over its development strategy, and it has responded to market needs. The efficiency and quality of the listing process are further ensured with the regulatory oversight," he added.

In 2009, Hong Kong was the most active market for initial public offering (IPO) funds raised globally. Hong Kong ranked number one globally in IPO fund raised for 2009 (US\$31.3 billion), and number four in the world in 2009 in terms of total fund raised (including post-IPO) of US\$81.4 billion. A total of 73 companies were newly listed on HKEx and they included overseas companies which have listed their Greater China related business operations in Hong Kong.

"Earlier this year, we saw the first Russian company listed on our stock market, and I am confident that more foreign based companies will be looking to list on the Hong Kong stock exchange in the near future," he added.

In the afternoon, Professor Chan also spoke at the Rotman School of Management, University of Toronto, on "China's Rise as an Economic Power – Implications for HK, Canada and the Rest of the World".

He told his audience that the new wave of financial globalisation has brought a new wave of financial talent to Asia, and to Hong Kong, and that as countries in the West continued to grapple with the aftermath of the financial tsunami, Asia was rebuilding, refocusing and rebounding.

He said financial and trade experts not only looked to Hong Kong for future growth potential these days, they were also based right in Hong Kong which was a vantage point and actually the best available platform for seeking out the best opportunities in China and throughout Asia.

Professor Chan concluded his visit in Canada today and will be back in Hong Kong on March 10.

Ends