

Press release

Secretary for Financial Services and the Treasury outlines ambition for China's global financial centre to London audience

Tuesday, November 16, 2010

The Secretary for Financial Services and the Treasury, Professor K C Chan, today (November 16) said that Hong Kong has a unique role in helping UK-based financial services businesses grow in China and the rest of Asia.

Speaking to an audience of more than 250 senior financial services executives at the opening of the London Conference, "Hong Kong: China's Global Financial Centre", Professor Chan remarked, "Why Hong Kong? Because Hong Kong is to Asia and China what London is to Europe. Like London, we have a high standard of regulation. Like London we have a free and open economy. Like London, we have the infrastructure and professional talent to support our financial services. Add to that our relationship with China and proximity to the rest of Asia and you can see why I believe so strongly in Hong Kong's potential as an international financial centre."

Professor Chan also shared his views on the future prospects of Hong Kong's role for China, highlighting that as the largest Foreign Direct Investment provider to China, Hong Kong is a testing ground for new ideas in the opening of China's financial market.

"A new phase of market reform in China is the internationalisation of the renminbi and the gradual opening-up of the capital account," said Professor Chan. "There is no better place than Hong Kong to become the offshore renminbi centre."

Also speaking at the conference was the Chief Executive Officer of the Securities and Futures Commission (SFC), Mr Martin Wheatley, who previously worked for several years at the London Stock Exchange. Mr Wheatley outlined in his speech how the continued development of the Hong Kong's regulatory regime has shielded it from the global financial crisis.

He said, "Hong Kong's robust financial regulatory regime augments our attraction as an international financial centre. The strength of our market was patently evident in the way it overcame the global financial crisis with remarkable resilience and sensible regulatory responses. We are committed to continuing a balanced regulatory approach, maintaining transparency, strengthening investor protection, and keeping abreast of international standards."

The conference focused in particular on the development of Hong Kong as Asia's asset management hub. Hong Kong witnessed 45.4% year-on-year growth of assets under management to US\$1,091bn in 2009 and continues to attract new asset managers to the region.

The Deputy Chief Executive of the Hong Kong Monetary Authority (HKMA), Mr Eddie Yue, commented, "We are already seeing more and more asset managers looking to set up their regional headquarters in Hong Kong to capture the investment and business opportunities in Asia, particularly in Hong Kong and Mainland China. I believe what we are seeing today is only the beginning of a period of exceptional growth in our financial services industry."

The Director-General of Investment Promotion at Invest Hong Kong (InvestHK), Mr Simon Galpin, said, "2010 has seen a growing number of financial services business move to Hong Kong. Companies from the US, mainland China and the UK have topped the list and we have seen a particular increase in the number of asset managers moving to the region."

The Financial Services and the Treasury Bureau of the Government of the Hong Kong Special Administrative Region (HKSAR), supported by InvestHK, HKMA and SFC will hold a similar conference in New York in March 2011.

For event photos, please visit www.flickr.com/photos/investhk/sets/72157625372897758 .

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About Invest Hong Kong

Invest Hong Kong is the department of the HKSAR Government established in July 2000 to take responsibility for Foreign Direct Investment and support overseas, Mainland and Taiwanese 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 10th anniversary, Invest Hong Kong has completed over 2,000 investment projects creating over 25,000 new jobs in the first year of operation or expansion and HK\$52 billion of investment. For more information, please visit www.investhk.gov.hk.

About Financial Services and Treasury Bureau

Financial Services and the Treasury Bureau (FSTB) is responsible for developing and executing government policy on finance and treasury for the Hong Kong Special Administrative Region. 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 HKMA

The HKMA 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 SFC

The SFC 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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