

Press release

Financial heavyweights gather at AFF to reshape global financial agenda

Monday, January 17, 2011

More than 70 leading finance, business and regulatory players as well as government officials from around the world gathered to exchange ideas on how to tap the opportunities of economic growth at the Asian Financial Forum today (January 17).

The two-day forum is the fourth of its kind since September 2007, and offers a platform for more than 1,600 financial experts, officials and business leaders to look into Asia's strategies and tactics for stable and balanced economic growth.

Under the theme "Asia: Reshaping the Global Agenda", the event is co-organised by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council, and held on January 17 and 18 at the Hong Kong Convention and Exhibition Centre in Wan Chai.

The Chief Executive, Mr Donald Tsang, met the global financial leaders again when delivering his opening address at the forum this morning.

"It is relatively safe to say Asia has weathered this crisis. Our economies are confidently moving ahead again," he said.

However, Mr Tsang reminded delegates that sovereign debt crises and high unemployment levels in regions such as the Euro-Zone and the United States would doubtless have an impact on Asia.

To conquer crises, Mr Tsang said that sound economic strategies and tactics, working hand-in-hand, had been the key to Asia's early recovery.

Referring to the case of Hong Kong, he said that the main strategies were to maintain a stable financial sector, preserve jobs and support businesses through difficult times. Tactics, including a 100% deposit guarantee scheme and several rounds of stimulus measures, had supported the economy through the economic downturn.

Going forward, Mr Tsang said that Hong Kong's strategies and tactics would focus on opening up opportunities for business in Asia and promoting greater transparency in financial markets.

"In reshaping the global agenda, Hong Kong also has a leading role to play as China's global financial centre," he said.

Mr Tsang said that many of Hong Kong's extraordinary opportunities have been linked to the Mainland's robust economic growth and rapid financial reform.

"As we have seized these opportunities, so they have multiplied. This is especially the case for our role as our nation's global financial centre," he stressed.

Mr Tsang noted that one of Hong Kong's multiplying opportunities was the increased participation of Mainland companies in the stock market, which in turn attracted foreign investors for these companies as they complied with international standards. Foreign companies from Russia, France and Brazil listed in Hong Kong could also benefit from institutional money from the Mainland and other Asian investors.

"Another fast multiplying opportunity is Hong Kong's role as a testing ground for the internationalisation of Renminbi.

"Since the Central Government expanded the Renminbi trade settlement scheme last July, Hong Kong has seen a sharp rise in activity," Mr Tsang noted.

He also cited the rapid expansion of Hong Kong's Renminbi bond market, saying that local firms and global enterprises had tapped into Hong Kong's "dim sum bonds" (the nickname given to bonds denominated in Renminbi and issued in Hong Kong) market.

"As China's global financial centre and as an international business hub with free flows of capital, information and talent, Hong Kong has been fully engaged in Asia's full circle back to economic growth and prosperity," Mr Tsang said.

Speaking at the cocktail reception, the Financial Secretary, Mr John C Tsang, said "dim sum bonds" were born out of the necessity to internationalise Renminbi in the current climate of financial opening up and reform on the Mainland.

"For us, 'dim sum bonds' represent more than just a new and appetising initiative for investors to expand their Renminbi portfolios. They also embody Hong Kong's unique role in reshaping the global agenda through our positioning as China's global financial centre," Mr Tsang said.

The Secretary for Financial Services and the Treasury, Professor K C Chan, attended the forum today as a panel speaker in the policy dialogue session and spoke on "Challenges to Asia in a Global Environment of Low Interest Rates and Excess Liquidity". He will also speak at tomorrow's Workshop on "Hong Kong as China's Global Financial Centre – The Renminbi Dimension".

Speakers from the other countries in the Asian Financial Forum included Secretary of State for Foreign and Commonwealth Affairs, the United Kingdom, Mr William Hague; Secretary of Finance, the Philippines, Mr Cesar V. Purisima; Chief Executive Officer, Swiss Financial Market Supervisory Authority FINMA, Dr Patrick Raaflaub; Nobel Prize-winning economist and Professor, Columbia University, the United States, Professor Robert Mundell; Chairman, Standard Chartered PLC, Mr John Peace; President, FIL Investment Management (HK) Ltd, Mr Anthony Bolton; and Deputy Chief Executive Officer and member of the Executive Committee, UC RUSAL, Mr Oleg Mukhamedshin.

From the Mainland, speakers included Former Vice Chairman, Standing Committee, National People's Congress, China, and Chairman, International Finance Forum (Beijing), Professor Cheng Siwei; Chairman, China Securities Regulatory Commission, Mr Shang Fulin; Chairman, China Insurance Regulatory Commission, Mr Wu Dingfu; Mayor of Chongqing, Mr Huang Qifan; Chairman, Board of Directors, China Development Bank, Mr Chen Yuan; Vice Mayor of Tianjin, Mr Cui Jindu; Vice Governor of Yunnan, Mr Cao Jianfang; and Chairman, Bank of China Limited, Mr Xiao Gang.

Tomorrow (January 18), the forum will continue with a breakfast meeting on "Latest Regulatory Changes and their Impact"; a panel discussion on "Investment Opportunities in Natural Resources"; a keynote luncheon by Professor Robert Mundell on "Realigning Currencies in Non-aligned World" and concurrent workshops.

Ends