

Press release

Asian Financial Forum looks at Asia's booming opportunities

Monday, January 16, 2012

The fifth Asian Financial Forum, which brought together some 2,000 influential financial players and business leaders from around the world, opened today (January 16) to explore the growing opportunities in Asia.

Speaking on the theme of this year's forum, "Asia: Driving Sustainable Growth", at the opening session, the Chief Executive, Mr Donald Tsang, said that the world must harness the potential of the whole region under a new and more deeply connected model to achieve sustainable growth.

"This model is already taking shape. In the past year or so, we have seen deeper financial connectivity. A shining example is the gradual liberalisation of the Renminbi.

"We have also seen deeper business connectivity and closer government-to-government links in Asia," Mr Tsang said.

"These growing regional exchanges are positive signs for sustainable growth through engagement, understanding and collaboration."

Noting the challenges presented to the global economy, including the lingering Eurozone debt crisis and ongoing concerns about the US recovery, Mr Tsang said that Asia is well placed to drive sustainable growth on at least two distinct levels. First, a sound economic environment in Asia can help to cushion the effect of downside risks in other parts of the world. Second, Asia can provide a springboard for sustainable global growth.

Mr Tsang also cautioned that the developments in Europe and the US would inevitably impact on the region. He shared with the audience various strategies which Hong Kong had been adopting to promote sustainable growth in Hong Kong. These included stepping up infrastructure investment, promoting a more diversified business environment, attracting a wider variety of foreign firms to Hong Kong and enhancing Hong Kong's accessibility and potential as a capital-raising platform.

"Looking at the broader picture, Asia has become increasingly proactive in developing its domestic and overseas markets. The region has become more confident and adventurous in expanding its horizons and engaging with foreign markets more as partners than as competitors," Mr Tsang said.

At the cocktail reception held in the evening, the Financial Secretary, Mr John C Tsang, spoke on the proliferation of Renminbi business outside the Mainland.

"We are now witnessing the birth of the Renminbi as a new international currency. In 2011, Renminbi deposits in Hong Kong almost doubled to around RMB630 billion.

"Total Renminbi trade settlement handled by Hong Kong banks since its inception in 2009 now exceeds RMB2 trillion. And the value of Renminbi bond issuances in Hong Kong last year was three times that of 2010," Mr Tsang said.

He also noted that Hong Kong still led the world in IPO funds raised for the third year in a row, with the total IPO funds raised reaching US\$36 billion. The nature and origin of new listed companies reflected Hong Kong's concerted efforts to diversify and internationalise the Hong Kong stock market.

The Secretary for Financial Services and the Treasury, Professor K C Chan, chaired the plenary session on global economic power. The session focused on the global economic outlook and Asia's contribution to sustainable growth, and discussed issues concerning the European debt crisis and the shift of economic gravity from the West to the East. Professor Chan will also speak at a workshop on the use of Renminbi in trade and investment tomorrow (January 17).

This year, speakers from the Mainland in the forum included the President (Minister) of the Development Research Centre of the State Council, Mr Li Wei; the Vice Chairman of the China Securities Regulatory Commission, Mr Yao Gang; and the Vice Mayor of Shanghai, Mr Tu Guangshao.

Speakers from overseas included the Chancellor of the Exchequer of the United Kingdom, Mr George Osborne; the President of the Asian Development Bank, Mr Haruhiko Kuroda; the First Deputy Managing Director of the International Monetary Fund, Mr David Lipton; the European Commissioner for Internal Market and Services, Mr Michel Barnier; the Vice Minister of Finance for International Affairs, Japan, Mr Takehiko Nakao; the Chairman of the Securities and Exchange Board of India, Mr U K Sinha; Professor at Columbia University, the US, Dr Joseph Stiglitz; the Group Chairman of HSBC Holdings, Mr Douglas Flint; and the Vice Chairman of General Electric Company, Mr John Rice.

The two-day forum, co-organised by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council, comprised a plenary session, a policy dialogue session, panel discussions and luncheons. It will continue tomorrow with a breakfast panel on Japan's reconstruction, a panel discussion on sustainable growth, a luncheon on the topic of globalisation and workshops on Renminbi, investment and global business partnership.

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