Transcript of SFST's remarks

Wednesday, December 14, 2011

Following is a transcript of remarks (English portion) by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session after chairing the panel discussion entitled "Specific Arrangements of Renminbi Direct Investment" at the "Seminar on Implementation of Central Government's Measures to Support the Financial Development of Hong Kong" at Central Government Offices, Tamar, today (December 14):

Reporter: Hong Kong tops the Financial Development Index for the first time and it beat the US and the UK in the index compiled by the World Economic Forum (WEF). What are your views? Are you confident that Hong Kong can hold that position?

Secretary for Financial Services and the Treasury: During today's forum, when we talked about Hong Kong's development into an offshore RMB centre, a few main points we emphasised were Hong Kong's capital market size and our connectivity with international financial centres. In that context, Hong Kong has very good potential to develop into an offshore RMB business centre and I am of course very pleased to hear that Hong Kong tops the WEF's Financial Development Index. I would not comment on whether we will stay at the top or not next year. We climbed a few steps this year. We will be working very hard to maintain Hong Kong's competitive advantage and to increase Hong Kong's capital market. And more importantly, in future years, developing Hong Kong's RMB business will give our financial centre an additional boost.

Reporter: The US Federal Reserve has decided to keep the interest rate at a very low level again. In its statement, it said the strains in global financial markets continue to pose significant downside risks to the economy. Do you think Hong Kong's financial market has shown any similar signs?

Secretary for Financial Services and the Treasury: The Federal Reserve statement is nothing new. It reflects the continuing views of the Federal Reserve about the weakness not only of the domestic market, but generally about the state of the world economy. Clearly, the lack of an economic growth engine will affect everybody in the world, including Hong Kong. The situation in Europe is worrying. It will continue to cause volatility in various markets. But that is the state of the world. In Hong Kong, we have to be prepared for the slowing down of the world economy. As I said, a lot of growth engines are here and in Mainland China. We should try to use every opportunity to make progress in our economic development.

(Please also refer to the Chinese portion of the transcript.)

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