

# A Brief View Over Asia Financial Center: Hong Kong

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# Framework

- **Introduction:** Hong Kong, Asia financial center
- **Meritorious:** Why Hong Kong?
  - --Outside Advantages
  - --Inner Advantages
  - --Supervision Advantages
- **Future:** A open question: Who will be the next Asia Financial Empire?

# Introduction: Hong Kong, Asia Finance Center



# Introduction: Hong Kong, Asia Finance Center(con'd)

- Hong Kong is one of the busiest business ports all over the world
- + Geography location maintains its center statue
- + Free Tax Policy and convenient transportation system bring developed economics & trading
- = Great need of assets management
- + Free capital influx and exodus
- = Developed financial market

# Introduction: Hong Kong, Asia Finance Center(con'd)

Market	Behavior
Market capitalization	2304 USD Billion
Equity issues	95,235 USD Billion
IPO market raised	741HKU Billion in 2009
Total funds raised by bonds	6113 USD million
Derivative Market	Single stock options, stock index futures, ETF dominates

# Asia Financial Center(Con'd)

Most great financial enterprises and institutions set their asian branches in Hong Kong, and this small island is crowded with famous names.

Also, thousands of brilliant minds get together here, managing, billions of money in hand. In Hong Kong, there is a highly-mingled financial system that jointing banking, securities and insurance industries all together



# Meritorious: Outside Advantage

- **History:** Hong Kong is British Colony in history, which provides her with a broad view ahead mainland China. Hong Kong is the first target when international institutions want to step in China. Also, British law system helps to deal with financial affairs
- **Policy:** For a long time, Hong Kong is getting policy support from both China Mainland and its own government, such as IPO permission for mainland enterprises, and offshore RMB business.
- **Culture:** Hong Kong is holding a free, diversified culture, and is appealing to brain drains all over the world. Meanwhile, she also benefits from the open information tendency and less-censor habit.

# Meritorious: Inner Advantage

- High wage level: powers Hong Kong residences to consume and invest
- Abundant portfolio: investors have more choices in different market
- Open media industry: help accelerate information open and find out problems
- Creativity ability: best quant staff provides creative products
- Convenient service: maintain a good invest environment
- Special currency system: Currency Board System, help to keep path with the world market and keep HKD stable

# Meritorious: Supervision Advantages

- Hong Kong finance supervision level is famous in the world, and under which Hong Kong financial market is keeping stably operation even if the whole world is suffering from the financial crisis.
- Supervision in Hong Kong is conducted by both government institutions(Hong Kong Monetary Authority) and industry associations. HKMA is responsible for normal and daily supervision, including inspection and organizing discussions. On the other hand, industry associations are aimed at maintain mutual supervision among financial institutions, which also lead to a effective result.

# Future: A Open Question to See

Hong Kong and Shanghai, who will be the Asia Financial Center for the next decade?

Will Hong Kong be substituted?

Maybe.....?



# Future: A Open Question to See(con'd)

Indeed, distance between Shanghai/Peking and Hong Kong is abridged, and Hong Kong may no longer benefit from the policy preferences as a special district of China.

However, Hong Kong has noticed this tendency, and her soft power is not easily surpassed. Shanghai ,is expected to be new Asia financial center, requires much more.