Reconnecting China

Keynote speech at ASIFMA China Capital Markets Conference

officials eager to get the economy
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At the same time, the value of US Treasuries held by Mainland investors amounted to US$868.9 billion as of April this year. Mainland commercial and policy banks, which are among the world's largest, provide more than US$400 billion in loans to non-financial institutions overseas. And in the past three years, global leading financial institutions have set up more than 10 wholly-owned securities firms, mutual fund companies or futures companies onshore.

Undeniably, there have been temporary setbacks in recent years caused

IT sectors. So far this year, the biggest net buy sectors are communications, healthcare and energy.

Just a year ago, ETFs were added to the Connect family and this has been an instant success. In April, southbound trading has made up about 20% of the average daily turnover of eligible Hong Kong ETFs. Northbound global investors also stand to benefit from the many eligible A-share ETFs spanning divergent industries and themes.

…nect as a key long-term strategy to create value for investors. We are looking into block trading and other trading practices to improve efficacy. For many other schemes, including Wealth Management Connect, we are working to make enhancements and relax some requirements in the near term. On our own market, we are also set to add more derivatives contracts with Mainland assets underlying. Stay tuned.

Renminbi internationalisation

Third, Hong Kong has come a long way to evolve into the offshore renminbi hub that it is today. Investors now enjoy access to a range of renminbi investment products in Hong Kong, backed by our deep renminbi liquidity pool. The city must continue to enhance its pivotal role in the renminbi's road to internationalisation.

The last two decades of development can be divided into three phases. The first phase started in 2004 after the SARS epidemic, when personal renminbi business was launched in Hong Kong. The second stage took off in 2009, after the global financial crisis, as the Mainland allowed the use of renminbi to settle cross-border trade. The city's renminbi business then expanded to enterprises and renminbi flows bece . d

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