

Global Financial Centres Index Report

Hong Kong was ranked number six in the Global Financial Centres Index (GFCI) 27 Report published by the Z/Yen from the United Kingdom and the China Development Institute from Shenzhen.

A Government spokesman today (March 27) said, "Hong Kong remains one of the top 10 leading international financial centres in the world. The recent report noted a high level of volatility in the ranking of the financial centres when compared with previous reports, probably reflecting the uncertainty around international trade and the impact of geopolitical and local unrest. We note that the overall ratings of financial centres ranked number two to six were very close. Among the five areas of competitiveness (namely Business Environment, Human Capital, Infrastructure, Financial Sector Development, and Reputational and General) as mentioned in the Report, Hong Kong ranked above some of these centres with a higher overall ranking in four or more areas. Notably, Hong Kong was ranked number three in the areas of Business Environment and Human Capital.

"However, in the index's online questionnaire, which gauged views from respondents based on perceptions, Hong Kong's score has dropped more significantly compared with the top five financial centres.

"As we see it, the unprecedented challenges arising from local social incidents in Hong Kong in the past year, and how these were perceived overseas, might have affected Hong Kong's score in the online questionnaire and the overall ranking."

The spokesman added, "Hong Kong's institutional strengths and underlying fundamentals remain intact and strong. Despite the challenging socio-economic situation in the latter half of 2019, Hong Kong's financial system remains resilient. Different facets of the financial services sector continue to function in an orderly manner. The Linked Exchange Rate System has been operating smoothly. There have been no notable outflows of funds."

"Hong Kong has a fine tradition of rule of law and judicial independence, a business-friendly environment, a simple and low tax regime, free flow of capital and information, etc.

"Hong Kong is the world's largest initial public offering centre for 2019 and the largest offshore Renminbi business centre. As at end-2019, the total capital under management in private equity in Hong Kong ranked second in Asia, only after Mainland China. Hong Kong is the gateway for access to the vast Mainland Chinese market with an extensive network with the rest of the world. Hong Kong's financial markets operate under effective and transparent regulations that are in line with international standards. We have a full range of financial products and a large pool of financial talents. These competitive edges will continue to sustain Hong Kong's status as a leading global financial centre.

"Looking ahead, we will strive to address the perception issues and clarify doubts. We will step up our promotional efforts and put across the message that Hong Kong remains a leading international financial centre and the gateway to the Mainland Chinese market.

"We will also continue to sharpen the competitive edges of Hong Kong and develop the city into a broader and deeper fundraising platform. Leveraging the opportunities presented by the Guangdong Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative, we will further enhance Hong Kong's position as a centre for offshore Renminbi business, asset and wealth management, insurance and risk management as well as green finance, with a view to promoting the diversified development of the financial markets," the spokesman added.

The GFCI Report is released in March and September every year since 2007. In GFCI 27, 108 financial centres were assessed. The overall rating of Hong Kong was 737. Hong Kong was ranked number six, dropping three places from the September issue of the index last year.