

SFST elaborates on ways to maintain financial stability of Hong Kong at Lujiazui Forum (with photos)

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, attended the 14th Lujiazui Forum in Shanghai today (June 9). During Plenary Session IV: "Global Monetary Policy Adjustment and Financial Risk Mitigation", he talked about global economic conditions and Hong Kong's current financial market, and elaborated on how Hong Kong maintains financial stability through a robust and effective regulatory regime.

Major central banks around the world have tightened monetary policies, which affect economic performance. Mr Hui noted that the continued interest rate hikes in the United States over the past year will not disturb Hong Kong's financial and monetary stability. He pointed out that the Hong Kong Special Administrative Region (HKSAR) Government has been co-ordinating various financial regulators to ensure the smooth operation of the financial and monetary markets.

He said, "Financial security is vital to national security and development. As an international financial centre of our country, Hong Kong has been committed to safeguarding the country's financial security."

Solid buffers and resilience are built into Hong Kong's financial market. Hong Kong has vast foreign currency reserves, and there is ample liquidity in the banking system. The capital adequacy ratio is also well above the minimum requirement of international regulatory standards. All of them are sufficient to withstand shocks triggered by external factors in the markets.

Mr Hui added, "The HKSAR Government will work with the financial regulators to continuously monitor if there are signs of systemic risk in the market through our round-the-clock, cross-market and co-ordinated monitoring mechanism, and respond decisively if necessary. The national development has entered a new era. In the course of the country's reform and high-level two-way opening up, Hong Kong plays the roles of a 'testing ground' and a 'firewall' in the reform and opening up of the country's financial market. Therefore, we should adopt bottom-line thinking to stay vigilant and safeguard financial security."

Mr Hui also shared with other speakers in the plenary session on how Hong Kong, being a global offshore Renminbi business hub, can help promote Renminbi internationalisation in an orderly manner.

Themed "Global Financial Opening-up and Cooperation: New Drivers of Economic Recovery", this year's forum is co-organised by the Shanghai Municipal People's Government, the People's Bank of China, the National

Administration of Financial Regulation and the the China Securities Regulatory Commission. Senior leaders from governments and financial regulators worldwide, leaders of premier financial institutions as well as renowned experts and scholars are invited to participate in the forum to exchange views on the prevailing major financial issues.

On the margins of the forum, Mr Hui met the Director of the Shanghai Municipal Financial Regulatory Bureau, Mr Zhou Xiaoquan, to explore ways to deepen co-operation between regulatory and market institutions in the two places. Mr Hui called on the Executive Director of the Shanghai Pudong Development Bank, Mr Zheng Yang, to brief him on the latest policies to promote the development of Hong Kong's financial industry. The two sides also exchanged views on promoting financial co-operation between Hong Kong and Shanghai, including promotion of Renminbi internationalisation, enhancement on mutual access between the financial markets and financial infrastructure of the two places, as well as the strengthening of co-operation in green finance.

Yesterday (June 8), Mr Hui met Deputy Secretary General of the Shanghai Municipal People's Government Mr Gu Jun; the President of the China Foreign Exchange Trade System, Ms Zhang Yi; and the Vice-President and Chief Administrative Officer of the New Development Bank, Mr Zhou Qiangwu, to exchange views on issues of mutual concern. He also visited the Shanghai Stock Exchange and met its Executive Vice President, Mr Dong Guoqun.

Mr Hui will return to Hong Kong this evening.



