

# Speech by FS at Gong Striking Ceremony for launch of HKD-RMB Dual Counter Model (English only)

Following is the speech by the Financial Secretary, Mr Paul Chan, at the Gong Striking Ceremony for the launch of HKD-RMB Dual Counter Model today (June 19):

Laura (Chairman of the Hong Kong Exchanges and Clearing Limited, Mrs Laura Cha), Gucho (Chief Executive of the Hong Kong Exchanges and Clearing Limited, Mr Nicolas Aguzin), distinguished guests, ladies and gentlemen,

Good morning.

Today is really another significant milestone for our stock market. With the launch of the new Dual-Counter Model, it is encouraging to see that 24 companies will be offering their shares in both Hong Kong dollars and the renminbi. Many of them, to be sure, are highly sought-after stocks with promising liquidity, accounting for, as alluded earlier to by Gucho, around 40 per cent of the average daily turnover of our stock market. Their participation is clearly a vote of confidence for the new offering.

This is certainly good news for local and global offshore RMB holders as the regime offers more diversified investment options.

For those who have yet to join, I look forward to welcoming you to the Dual-Counter family soon enough.

While some may say that the first RMB listing in Hong Kong took place more than 10 years ago, and there are plenty of RMB securities such as ETFs and debt instruments on the market, the new Dual-Counter Model offers much excitement.

Shares traded under this Model would belong to the same class, with the same rights and entitlements, and be fully tradable across counters. Together with the market makers selected to ensure adequate liquidity for the designated shares trading in RMB, this will substantially facilitate transactions and enhance price efficiency of such stocks.

And the Model is launched right at a time when the strategic importance of RMB – in terms of fund flow, liquidity and popularity – is rising.

In 2021, the total amount of cross-border use of RMB reached over RMB36 trillion, representing an increase of nearly 30 per cent over the year before. As at the first quarter this year, the proportion of RMB in cross-border payments and receipts in the Mainland has risen to 48 per cent, surpassing the US dollar for the first time. In addition, using RMB as a

settlement currency for international trade and investment has become increasingly prevalent.

Of course, viewing it holistically, there is still ample room for the global use of RMB to grow. While our country is the world's second largest economy, accounting for more than 18 per cent of the world's GDP, and is the largest trading economy contributing to about 13.5 per cent of global trade, the use of RMB in SWIFT, i.e. cross-border trade settlement, and as a worldwide reserve currency, constitutes less than 3 per cent respectively.

It is clear that the internationalisation of RMB will only accelerate in the future, particularly under this rapidly changing global geo-political and environment – which is unseen in a century. Seeking diversification for greater security is on everyone's agenda.

As countries trade and invest in RMB and use it as a reserve currency, the demand for various investment and risk management products is bound to rise.

Hong Kong will play a pivotal role in this great process of change, and we are keen to grasp the opportunities ahead. We have long been the offshore RMB hub, no matter in terms of liquidity, trade settlement or product variety.

And thanks to the staunch support of the Central Government, our currency swap arrangement with the People's Bank of China ensures that we have more-than-enough liquidity.

Looking ahead, we are determined to expand the channels for cross-boundary RMB flow, provide more investment and risk management products, and upgrade our related infrastructure to build an even more vibrant offshore RMB ecosystem.

A short-term priority is, of course, the inclusion of RMB-denominated securities under the Southbound Connect, so that Mainland investors can trade Hong Kong shares with their onshore RMB.

And, rest assured, we will continue to collaborate with our Mainland counterparts to expand the mutual-market access programme, with a view to promoting greater connectivity between the investors and capital markets of the Mainland and the world.

Finally, may I extend my sincere thanks to the Financial Services and the Treasury Bureau, the financial regulators including the Hong Kong Monetary Authority and the Securities and Futures Commission, as well as HKEX for all the good and hard work in the bringing the Dual-Counter Model to life, for giving investors everywhere more reason to look to the RMB – and to Hong Kong – for their future.

And now on to the highlight of the day: the HKEX gong-striking ceremony.

Thank you very much.

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## **LD holds online exhibition on Employment Ordinance and Minimum Wage Ordinance**

â€‹The Labour Department (LD) is holding an online exhibition from 9am today (June 19) to 6pm, June 21 on the LD's website disseminating information about the Employment Ordinance and the Minimum Wage Ordinance to enhance the public's understanding of employment rights and benefits.

Consolidating the content of physical exhibitions held by the LD, the online exhibition features main provisions of the Employment Ordinance and the Minimum Wage Ordinance, employment rights and benefits for foreign domestic helpers, as well as good human resource management measures. The relevant hyperlink is [www.labour.gov.hk/common/Online\\_exhibition\\_EO\\_MW0/index\\_en.html](http://www.labour.gov.hk/common/Online_exhibition_EO_MW0/index_en.html).

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## **Red flags hoisted at some beaches**

Attention TV/radio announcers:

Please broadcast the following as soon as possible:

Here is an item of interest to swimmers.

The Leisure and Cultural Services Department announced today (June 19) that due to big waves, red flags have been hoisted at Hung Shing Yeh Beach, Silver Mine Bay Beach and Pui O Beach in Islands District. Beachgoers are advised not to swim at these beaches.

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## **People's Bank of China to issue Renminbi Bills through Central**

# [Moneymarkets Unit of Hong Kong Monetary Authority](#)

The following is issued on behalf of the Hong Kong Monetary Authority:

The People's Bank of China (PBOC) will issue Renminbi Bills through the Central Moneymarkets Unit of the Hong Kong Monetary Authority (HKMA). Please find attached the tender notice and the tender information memorandum of the Renminbi Bills to be issued by the PBOC. Please also find attached the tender-related information provided by the Issuing and Lodging Agent through the HKMA.

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## [Toronto ETO promotes Hong Kong at Toronto International Dragon Boat Race Festival \(with photos\)](#)

Supported by the Hong Kong Economic and Trade Office (Toronto) (Toronto ETO), the Toronto International Dragon Boat Race Festival 2023 welcomed teams from across Canada, the United States, the Caribbean Islands, Europe and Asia on June 17 and 18 (Toronto time), attracting thousands of people to Centre Island, Toronto, to enjoy the annual event.

Speaking at the opening ceremony of the festive event, the Director of the Toronto ETO, Ms Emily Mo, encouraged Canadians to visit Hong Kong and enjoy all the new developments and entertainments in this Asia's world city. She said, "With the resumption of free travel and the launch of the 'Hello Hong Kong' Campaign, mega events and fans have been returning to Hong Kong since early this year." She added that the 2023 Hong Kong International Dragon Boat Races will be held in Victoria Harbour on June 24 and 25 (Hong Kong time).

As one of the highlights of the Toronto International Dragon Boat Race Festival 2023, the commemorative Hong Kong Cup dragon boat race, sponsored by the Toronto ETO, was held on June 18 (Toronto time). Spectators enjoyed the thrilling atmosphere of the competition.

On shore, the Toronto ETO set up a Hong Kong pavilion at the race venue to provide information about Hong Kong and distribute special souvenirs for race spectators. Aiming to promote cultural exchanges between Hong Kong and Canada, a mini-exhibition about Hong Kong and the Dragon Boat Festival was also staged.

Organised by the Toronto Chinese Business Association in collaboration with GWN Dragon Boat, the Festival celebrated its 35th year as one of the most exciting summer events in Toronto and one of the most prestigious dragon boat festivals on the North American dragon boat calendar.

