

## Opening Remarks

“The World Expects Asia to Rise to the Challenge”

Hong Kong’s Chief Executive Sets Stage for Asian Financial Forum 2010

Hong Kong Chief Executive Donald Tsang opened the Asian Financial Forum (AFF) 2010 with a call for governments to work together to see through the fragile global recovery.

Mr Tsang was the first of more than 60 influential financial, business, government and regulatory officials from across Asia and around the world to speak at the Forum, held 20-21 January 2010 at the Hong Kong Convention and Exhibition Centre.

“Asia in the New Economic Order” was the theme of AFF 2010. Organised by the Hong Kong SAR Government and the Hong Kong Trade Development Council (HKTDC), the event drew more than 1,500 participants from 31 countries and regions. The delegate total set an AFF attendance record, with more than half of the senior business and government leaders coming from outside Hong Kong. The first AFF was held in September 2007 and the second in January 2009.

Delivering the Forum’s Opening Remarks, Mr Tsang said Asia had been “relatively resilient in the face of the recent financial tsunami,” thanks to difficult lessons learned during the economic crisis which hit the region a decade ago. “Today, the international community expects Asia to rise to the challenge and play a more prominent role in the changing economic landscape.”

The Chief Executive noted that the Asian Development Bank had recently forecast 6.8 per cent growth in 2010 for the 14 emerging economies of East Asia.

### **Dangers Lurk**

“This is better than many of us would have dared hope for this time last year,” Mr Tsang noted. “However, we should not become overly optimistic. There are dangers lurking that could stall the recovery process.”

“Governments around the world, including here in Asia, have spent vast sums of money in shielding their economies from the worst of the global financial crisis. Now is the time for governments to start coordinating exit strategies from these stimulus measures. A lack of coordination may lead to imbalances and financial instability that

could hurt our region.”

Mr Tsang said Hong Kong’s fundamental strengths and vibrant economy had bolstered the city’s role as a global financial centre in Asia’s time zones, as well as making the city a regional asset-management centre and an offshore centre for renminbi business.

### **Testing Ground**

“We have become a vital testing ground for the liberalisation of our nation’s capital account and the regionalisation and internationalisation of the mainland currency, the renminbi,” he said. “We will continue to strengthen Hong Kong’s role as the testing ground for the liberalisation of the mainland currency. This includes developing other renminbi business, such as renminbi financing and promoting direct investment in Hong Kong.”

The Chief Executive stressed the importance of financial integration with the mainland, a theme that was echoed by other speakers during the conference.

“Through closer financial cooperation, we aim to play an exemplary role in promoting intra-Asia financial collaboration and integration,” he said. “In particular, we have the experience, expertise and the motivation to better connect our nation with partners in the region and around the world.”

Mr Tsang was introduced by HKTDC Chairman Jack So, who said, “I’m sure we’ll all benefit from the presentations and the diverse exchange of views that will take place over the next two days, and at the end of the Forum we’ll take away fresh perspectives.”