

Financial Secretary at Cocktail Reception

“One Region, Many Systems”

The Financial Secretary on Asia in the New Economic Order

At a cocktail reception on 20 January to wrap up the first day of the Asian Financial Forum 2010, Hong Kong SAR Financial Secretary John C Tsang spoke about the growing interconnectedness of Asian economies and the region’s new global leadership role.

Mr Tsang began his remarks by taking the audience back 169 years. “It was on this very day, January 20, in 1841 that a treaty was signed ceding Hong Kong to the United Kingdom,” he noted.

Barren Rock

“Captain Charles Elliot of the British Royal Navy had negotiated the terms of the agreement and reported them to Lord Palmerston who was then the foreign secretary in London. Lord Palmerston was outraged, in fact, that Britain had got such a raw end of the deal. He promptly dismissed Captain Elliot from his post and famously declared that Hong Kong was, and I quote: ‘A barren rock with nary a house upon it. It will never be a mart for trade.’ The rest, as they say, is history. But the point is that sometimes things just don’t work out as we expect.”

Today, Mr Tsang said, as the world emerges from the global financial crisis, “we are considering the impact of the crisis and the shift in economic power away from Europe and the US, and towards Asia.”

He said Hong Kong’s success since reunification with the mainland in 1997 could hold some clues as to how Asia will rise to the challenge of its more prominent role the New Economic Order.

“The ‘One Country, Two Systems’ principle for our reunification is working well. We have maintained all the attributes that helped to transform the city from Lord Palmerston’s ‘barren rock’ into a dynamic metropolis, with successful attributes such as open markets, free trade, the rule of law and low taxes. From a wider perspective, here in Asia we have ‘one region, many systems.’ ”

Collective Strengths

Through closer integration, he said, Asian economies can build on their collective strengths, “including our diversity, our dynamism, our deep pool of talent and our competitive spirit,” to spearhead the New Economic Order.

The Financial Secretary said the global economic turmoil had brought into sharp focus how regional economies are more interconnected and interdependent. “These days, we need to be accountable not only for our own economic well-being but also for that of our region. We need to put social interests ahead of self-interests, prudent risk-taking ahead of excessive profit-taking, and transparency and openness ahead of protectionism and isolationism.”

“These are some of the things that have helped our city grow and thrive, and that have driven Asia’s economic evolution. We don’t have a crystal ball to predict the future, but our history has taught us to hope for the best, plan for the worst and expect the unexpected. So with this in mind, I have no doubt that Asia has the experience and the expertise to grasp the opportunities in the New Economic Order.”