

Embracing Asia-Pacific as a Family

Welcoming remarks at SFC Regional Securities Regulatory Leadership Symposium

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Chairman**

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Distinguished guests, ladies and gentlemen, good afternoon, and welcome to the SFC Regional Securities Regulatory Leadership Symposium.

First of all, I would like to thank you all for joining our event today, to make plans ahead for regional capital markets in the new Year of the Dragon. Special thanks to those of you who have travelled a long way from Europe and across Asia-Pacific.

The dragon is a very Asian symbol. Under the Chinese zodiac, the dragon is auspicious and symbolises courage and power. It stands out as the only mythical creature among the 12 animals, making the Year of the Dragon even more special.

The Asia-Pacific region is just like the dragon – vibrant and energetic, home to 60% of the world's population. Yet, the region is also rich and diverse in culture, with notable socio-economic differences. This is exactly why we organise today's symposium – to forge ties, share experiences and bridge divides across regional markets and also between regulators and businesses. Indeed, one of the SFC's Strategic Priorities published just in January is to broaden our regional network and link up capital markets.

For more than a decade, regional integration has been progressing steadily. The Regional Integration Index shows Asia is becoming more integrated in the areas of trade, investment, infrastructure and technology. Nearly 60% of Asia's trade is intra-regional. Also, the share of cross-border financial investments within the region has increased steadily.

As Asia's international financial centre and premier capital intermediary, Hong Kong is well-positioned to drive regional growth. In the past year, we have strengthened our market resilience and infrastructure by broadening our Connect schemes. We also diversified products through ETFs¹, which saw strong inflows. Our other priority is sustainable finance and we are happy to see double-digit growth in assets under management for SFC-authorized ESG² funds in 2023.

Note: This is the text of the speech as drafted, which may differ from the delivered version.

¹ Exchange-traded funds

² Environmental, social and governance



Looking ahead, as Mainland markets continue to open up and its economic reform goes further, Hong Kong's special role as a super value adder will only be strengthened. The enhanced Wealth Management Connect is a recent example. The SFC is pulling its weight to foster the city's capital markets. Under our four reshaped priorities to guide market developments in the next three years, we will continue to enhance the city's global competitiveness, spearhead technological and ESG transformations, and make markets more resilient.

I believe Hong Kong's success will create an all-win situation for the region and beyond. It is important for all of us in this room today to firm up our ties and capitalise on regional opportunities. As an example, the city has been enhancing market connectivity with ASEAN³ and Middle Eastern countries, paving the way for cross-listings to diversify our markets. Our stock exchange also launched the world's largest ETF tracking Saudi Arabia stocks, which marks our commitment to regional market integration.

That said, the best is yet to come for Asian market collaboration. A lot more needs to be done, which is why we are here today for a busy afternoon of frank and profound dialogue. To kick off, our first panel will examine where we stand, by surveying the Asia-Pacific capital market landscape. This will be followed by the second session about how investment funds turn on the growth engine against the odds of global headwinds. Later this afternoon, two more panels will deep-dive into the major issues of sustainability and technology, and find out how these trends are reshaping finance.

As the SFC celebrates its 35th anniversary this year, we are confident in leading the way forward for a better and more connected Asia-Pacific. We also stand ready to develop a shared vision to overcome common challenges, for the benefit of all in the region and beyond.

Finally, I wish you all "good fortune, great health and strength in the Year of the Dragon". In Chinese, that is "龍年好運，身壯力健".

Have a fruitful and enjoyable afternoon. Thank you.

³ Association of Southeast Asian Nations