



金 銀 業 貿 易 場
The Chinese Gold & Silver Exchange Society



Dear Chairman and Members,

Thank you for giving me a chance to speak on behalf of the CGSE (The Chinese Gold & Silver Exchange Society), which as some of you many know, is a self-regulated organization established more than a hundred years ago, to promote trade of gold and silver with an ordinance provided by the Financial Secretary in 1973. As time goes on, the CGSE also undergoes rapid changes in the recent years, to cope with rising challenges in the global financial markets, which remain volatile since the 2008 global financial crisis. CGSE has been working hard to struggle with the business which once flourished in 1980s.

Facing difficulties, and in view of growing stiff competition from other financial centres, such as New York and London, Hong Kong has to rise to challenges to cope with fast-changing environments. To this end, as a global market man, I strongly support the re-organization proposals announced by the new administration, especially in creating a deputy financial secretary, to oversee and concentrate on the complex matters regarding Mainland's Twelfth Five-Year Plan. One of the main issues must be the RMB development. The crux of the problem, in my humble view, is how best Hong Kong can cope with Mainland China in resolving the problems about the urgent need to develop more good and healthy products for RMB to be better circulated. Gold is almost a currency, according to World Bank and International Monetary Fund recently. In the past few years, many central banks in Europe have kept gold in their reserves. The status of RMB will only be stronger but not weaker as the economy in Mainland China grows. However, we are also facing fierce competition from London, Singapore and some other parts of the world, which claim to be the other off-shore centres for RMB. The threats are real, and we should seize the opportunity to work with Shanghai to build a better link.

Secondly, in this connection, we support the creation of a new bureau of Science and Technology, which is so important in modern governments. Such change will enable the bureau to have a clear focus on the technological development of global IT companies in particular, for creation of more jobs and career opportunities. Korea, for example, did so well in the last few years, primarily because of the rising resources in research and development. Let us not stifle creativity when Hong Kong people can pride ourselves in

such industries. More industries, will benefit more from a direct link with this bureau. This leads me to the third point, on putting marine matters back to the commerce bureau. This will give Hong Kong a competing edge as an international logistics centre. In fact, CGSE is also working very hard to advocate to use Hong Kong airport's advantage is its strategic location in Asia, to act as "Gold and Silver Logistic Centre" in Asia.

Lastly, I also support, that the policies on public housing and urban renewal and land matters be grouped under one roof. This will give the new administration a better control of the land supply and demand policies. Hence, a more coordinated approach. Finance and property are two pillars to sustain the economy of Hong Kong. Let us have a better change for the long-term benefits of Hong Kong before it is too late. Further delay will paralyse our growth.

Thank you.

Stephen Ng
Governor, Global Market Development
The Chinese Gold & Silver Exchange Society