

**Briefing to the  
Legislative Council  
Panel on Financial Affairs**

**Mrs Laura Cha, Chairman,  
Financial Services Development Council  
4 February 2013**

# Introduction

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- Background
- Report of the Preparatory Task Force
- Role of FSDC
- Resources Arrangement

# Background

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- |  | <u>As % of GDP (2010)</u> |
|--|---------------------------|
| • Trade and logistics                                  | 25.3                      |
| • <b>Financial services</b>                            | <b>16.3</b>               |
| • Professional services<br>and other producer services | 12.4                      |
| • Tourism  | 4.3                       |
- 226 000 people were employed in the financial services industry, accounting for about 6.2% of the total employment in the third quarter of 2012

# Background

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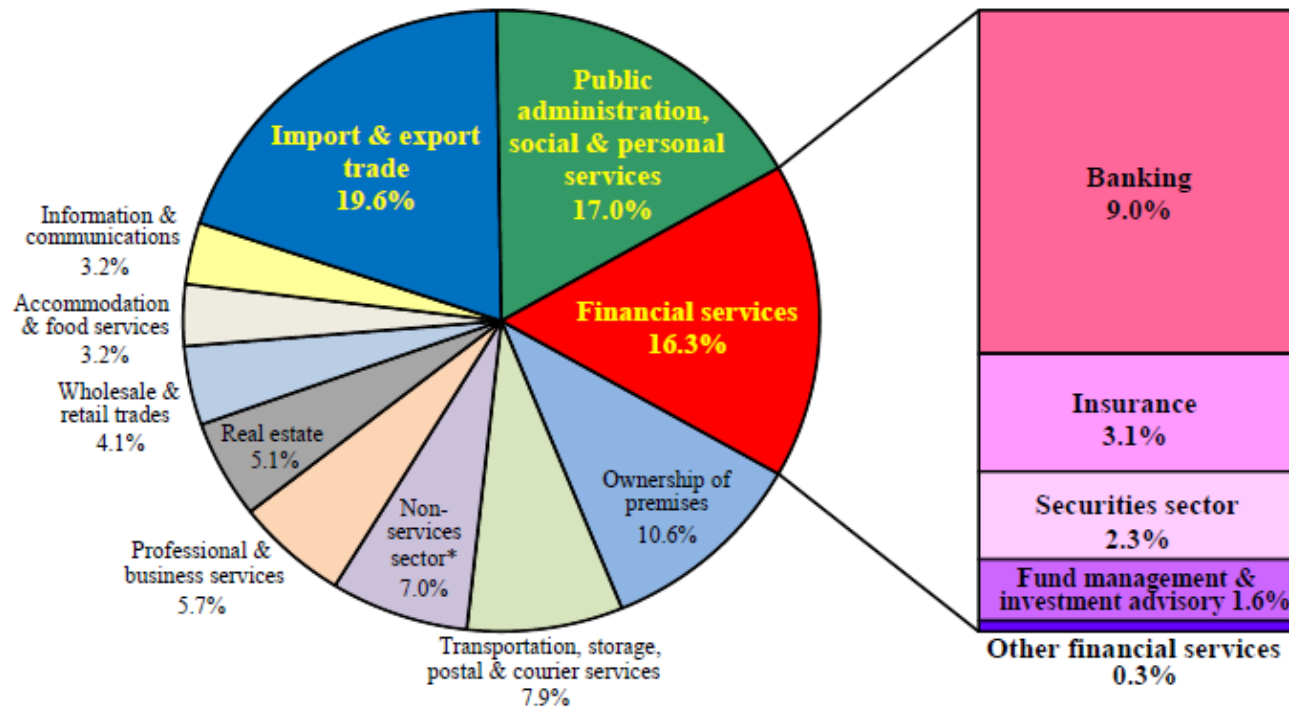
- Increasingly diversified

As % of GDP :

	<u>2000</u>	<u>2010</u>
<b>Financial services</b>	<b>12.8</b>	<b>16.3</b>
• Banking	7.9	9.0
• Insurance	2.5	3.1
• Other financial services	2.4	4.2

# Background

## Share in GDP by Major Industries (2010)



\* Including agriculture and fishing, construction, electricity, gas and water supply, manufacturing, mining and quarrying, and waste management.

Figures may not add up to 100% due to rounding.

Source: Census and Statistics Department

# Preparatory Task Force

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- The Preparatory Task Force commenced operation on 1 July 2012 to draw up proposals for FSDC
  - Objectives
  - Terms of reference
  - Governance structure
  - Modus operandi

# Report of the Preparatory Task Force

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- Need for overarching advisory body
  - Focal point of views and melting pot of ideas
  - Champion and ambassador
  - A capacity builder
- Industry development bodies in Hong Kong
  - Trade, logistics, tourism, technology and arts
- Financial services development bodies overseas : from New York and London to the Mainland and Middle East
  - Most were set up in the last decade

# Report of the Preparatory Task Force

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## Consultation

- 12 sessions were conducted
- Consultees include
  - Regulators (HKMA, SFC, MPFA) and promotional agencies (HKTDC, InvestHK)
  - Over 30 industry associations/bodies
  - Academia and think tanks
  - Practitioners



# Report of the Preparatory Task Force

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## Consultation

- Majority of consultees including the regulators expressed support for FSDC
- Bring about cross-sectoral collaboration : coordinate views of various segments and advocate interests of the whole financial market
- Carry more weight with broad representation than any single association

# Report of the Preparatory Task Force

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## Consultation

- FSDC would NOT take on policy execution, statutory or regulatory functions
- Complement and add value to the efforts of existing organisations
- Work and advice should be underpinned by research : in-house or collaboration
- Enhance quality, professionalism and competitiveness of local financial practitioners as well as graduates

# Report of the Preparatory Task Force

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## Consultation

- Facilitate and attract overseas investments
- Support and promote the development of local firms : increase competitiveness and explore new growth areas and opportunities
- Support projecting FSDC's own image (e.g. TheCityUK) to facilitate overseas promotion, thus the Preparatory Task Force recommended FSDC be constituted as a company limited by guarantee

# Report of the Preparatory Task Force

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## Recommendation

- Mission : to enhance, elevate and champion the competitive position of Hong Kong as an international financial centre of global significance and to promote the sustainable development of our financial services industry

# Report of the Preparatory Task Force

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## Recommendation

### •Objectives

- Advise the Government on strategies and measures to expand the scope of our financial markets and enhance competitiveness
- A channel for express views on development of the financial services industry
- Support the financial services industry in developing practitioners' core competence
- Promote our industry and Hong Kong in the Mainland and overseas

# Role of FSDC

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- Appointments made on 17 January 2013
  - 22 Members, broadly representative of various sub-sectors
  - Good balance of skill set and professional expertise
- 1<sup>st</sup> Council meeting held on 22 January

# Role of FSDC

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- Workplan – 5 areas
  - Financial Development Research
  - Mainland Opportunities
  - New Business
  - Human Capital
  - Market Development

# Resources Arrangement

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- To commence work as soon as possible, FSDC Secretariat at its initial stage will comprise a skeleton team with secondments from
  - Financial Services and the Treasury Bureau
  - Hong Kong Monetary Authority
  - Securities and Futures Commission
  - Hong Kong Trade Development Council