



Dear Members

As we entered the second half of 2023, I'd like to take this opportunity to review the performance of the Hong Kong stock market. In the first six months of the year the IPO market registered 31 new listings, raising a total of HK\$17.8 billion. Although market expects the figures to pick up in the second half of the year, it will still be a far cry from

the bullish years previously. To put things in perspective, in 2019 when HKEX ranked first in the global IPO league table, 114 new listed companies were added to our stock market with IPO proceeds amounting to HK\$256 billion. The average daily turnover for the first six months of 2023 was HK\$115.5 billion, compared to say HK\$166 billion for 2021. Such lacklustre performance can be attributed to a number of factors: the tense geopolitical situation continues to inhibit western capital from investing in Chinese assets, the accumulated losses incurred by western investors in Chinese investments, and the interest rate hikes. All these have a dampening effect on our stock market performance.

To mitigate the situation, participation of fresh capital from new origins is perhaps necessary. In this light, the moves to seek closer business and investment ties with the Middle East by both the Central and Hong Kong Governments are right on target. While high level government visits are effective in opening doors, continuous efforts to solidify the relationship are equally important. It is paramount for the Hong Kong Government to devise a coherent and persistent Middle East strategy which not only tells the Hong Kong story, but also aims to cultivate trust and long-term partnership. Middle Eastern people, I would say, are similar to us Chinese. They treasure relationships not just encounters; value partnership not only transactions. Our Government must demonstrate commitment to the region by investing time and resources to build relationship and promote understanding. One must also realise Middle Eastern countries are far from homogeneous but have different economic compositions and strengths, and varying business priorities and investment interests. Among the countries, they would co-operate and compete on different fronts; they are the so-called "frenemies". Our Government's strategy much therefore be able to distinguish the commonalties and differences between them and identify opportunities from there.

To begin with, a number of simple action steps can be considered:

- Expand the network of the HKSAR Economic and Trade offices in the Middle East. This would demonstrate Hong Kong's commitment to the region and allow us to fully understand the different countries and nurture business relationships.

各位會員：

踏入2023年下半年，本人想藉此機會回顧香港股市表現。今年上半年，首次公開招股市場共有31家新公司上市，集資總額達178億港元。雖然市場預計下半年數字將有所回升，但仍與往年牛市的數據相去甚遠。讓我提供一些比較資料，2019年，港交所佔全球首次公開招股排名榜首，香港股票市場共新增114家上市公司，首次公開招股集資總額達2,560億港元。2023年首六個月的平均每日成交額為1,155億港元，而2021年則為1,660億港元。股市表現疲弱可歸因於多種因素：緊張地緣政治局勢繼續導致西方資方對投資中國資產卻步；西方投資者於中國投資中產生的累積虧損；以及息口上揚。這些因素均限制了香港股市表現。

為減輕這種情況帶來的影響，我們或許需要吸引以往來源以外的資金參與市場。因此，中央及香港政府採取行動，尋求與中東建立更緊密商業及投資關係，這些舉措可謂對症下藥。縱使政府高層訪問能有效打開合作之門，但持續鞏固雙方關係亦同樣重要。香港政府必須制定連貫一致、持之以恆的中東策略，不僅要講述香港故事，更要建立雙方信任及長期夥伴關係。我認為中東人與中國人十分相似。他們珍視建立關係，而不僅是相遇；珍視夥伴關係，而非僅僅交易。香港政府必須投入時間及資源，建立雙方關係及促進理解，從而表明對中東區域的承諾。我們亦必須知悉，中東國家各不相同，有著不同的經濟構成及優勢，商業重點與投資利益亦迥然不同。中東各國在不同領域上既有合作，也有競爭，可謂「亦敵亦友」。因此，香港政府的戰略必須能夠區分中東各國的相同及相異之處，並從中發現機遇。

首先，香港政府可考慮採取數個簡單的行動步驟：

- 擴大香港特區駐中東經濟貿易辦事處的網絡，顯示香港對中東地區的承諾，並讓我們充分瞭解各個國家，建立商業關係。
- 運用香港投資專業人士成熟的促成交易的能力，在當地建立網路，發展關係，尋找機遇。
- 推銷大灣區概念。政府高層繼續定期訪問中東地區，不僅講述香港故事，亦講述整個大灣區的故

- ◆ Leverage on the deal-making prowess of Hong Kong investment professionals to build networks on the ground, develop ties and look for opportunities.
- ◆ Sell the Greater Bay Area (GBA) Concept. Continue high level government visits to the Middle East at regular intervals to talk about not only the Hong Kong story, but that of the whole GBA. This would amplify the attractiveness of our offering. Recently the counsel general of Saudi Arabia in Guangzhou expressed optimism of GBA as an economic and business hub. We must seize the opportunity to capture and deepen the interest.

In addition to injecting new vigour into our financial markets, developing stronger ties with the Middle East also has strong implication to the internationalisation of RMB. Channeling Middle East capital to Hong Kong's existing and future RMB denominated assets portfolio would be an effective way to increase demand for RMB and encourage Middle East governments to build up their RMB holdings for current accounts purposes. This is another area where Hong Kong can play a part in servicing national needs and at the same time, solidify the unique role of Hong Kong in the grand scheme of China's development.

The Chamber believes healthy financial markets are integral to the continuing economic prosperity of our city. As a key market stakeholder, we will always share views and make recommendations on how to fortify our strengths and make things better. In this regard, members views are most welcomed and together, we will make contributions to our market and economy for the benefit of all.

Yours sincerely

Catherine Leung
Chairperson

事，從而增強香港服務及產品的吸引力。最近，沙特阿拉伯駐廣州總領事表示對大灣區作為經濟及商業中心感到樂觀。我們必須把握機遇，吸引並加深中東國家的興趣。

除為香港金融市場注入新活力外，加強與中東地區的聯繫亦對人民幣國際化具深遠意義。吸引中東資金，投資香港現有及未來的人民幣計價資產組合，這將能有效提升人民幣需求，並鼓勵中東各國政府增持人民幣以作經常賬用途。這是香港能在服務國家方面發揮作用的另一個領域，並將鞏固香港在中國發展大計中的獨特地位。

本會相信，穩健的金融市場對香港經濟持續繁榮而言不可或缺。作為關鍵的市場持份者，我們將就香港如何鞏固優勢及更上一層樓，與外界交流意見及提出建議。我們非常歡迎各位會員就這方面提出意見，與我們攜手為市場及經濟作出貢獻，造福社會。

誠致謝意。

梁嘉彰
主席

