

Third Asian Financial Forum Draws Record Attendance ***Dealing with Fiscal Challenges “Key to All Advanced Economies” – Roubini***

21 January 2010 – Celebrated United States economist Nouriel Roubini, speaking today on the second and final day of the Asian Financial Forum (AFF) 2010, reminded the global gathering that the economy was still very fragile, despite its continuing recovery.

“My major concern is about some policy mistake: either exit from this monetary and fiscal policy too soon, that will lead again to recession and inflation or, alternatively, and more seriously, runaway fiscal deficit monetised by central banks, eventually leading to either a fiscal train wreck and/or higher than expected inflation. Therefore, dealing with these fiscal challenges in the near to long term is key to all advanced economies.”

The Professor of Economics at the Stern School of Business, New York University, was the featured speaker at today’s keynote luncheon. Professor Roubini was decidedly more upbeat about the AFF, which he called “a really premier forum,” and about Hong Kong’s role in shaping China’s emergence as a global economic powerhouse.

Role Model for China

“As the Chinese economy keeps on growing, Hong Kong is becoming more integrated, economically and financially, with China, and Hong Kong can play a very important role,” he said. “In terms of trade, of financial development, of institutions, Hong Kong can provide a significant role model for some of the policy changes that may occur over time in China.”

This year’s AFF, organised by the Hong Kong SAR Government and the Hong Kong Trade Development Council (HKTDC), drew more than 1,500 participants, a new forum record. Nearly 50 per cent of the bankers, institutional investors, fund managers, regulators and senior executives who attended were from outside Hong Kong. Asia, particularly the Chinese mainland, was the central focus of forum discussions, in keeping with the theme of this year’s AFF: “Asia in the New Economic Order.”

More than 60 high-profile speakers took part in the two-day forum, including: Dominique Strauss-Kahn, Managing Director, International Monetary Fund; Liu Mingkang, Chairman, China Banking Regulatory Commission; Lou Jiwei, Chairman and CEO, China Investment Corporation; E Gerald Corrigan, Managing Director, Goldman Sachs; Huang Huahua, Governor of Guangdong Province; and Richard Sandor, Chicago Climate Exchange Chairman and founder.

Carbon Trading and Hong Kong

Considered the “father of carbon trading,” Mr Sandor said Hong Kong had “a vital role” to play in developing carbon trading in China and the Asian region. “It’s almost like saying, when you establish a market in Chicago, is there a role for New York. Well, of course, because you’ve got all the talent and capability. So I think Hong Kong is ideally positioned to really provide financial services to people who are going to use these markets to hedge and to reduce their emissions.”

The AFF also features a number of prominent regional policymakers, including leading government officials from the mainland, Australia, Indonesia, Japan, Malaysia, South Korea, Thailand and Hong Kong.

Deal Making

Another AFF highlight was today’s DealSource, which featured more than 200 pre-arranged meetings. DealSource, a matchmaking session, was designed to introduce prospective investors to promising projects in areas such as mergers and acquisitions, infrastructure, resources exploration and the environment. DealSource was organised by the US-based Association for Corporate Growth (ACG), the Hong Kong Venture Capital and Private Equity Association and the HKTDC.

AFF Website

www.asianfinancialforum.com

Video Highlights on YouTube

Highlights from day one of AFF 2010 are available on the HKTDC webcast service, at www.youtube.com/HKTDC.

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About the HKTDC

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