



Collaboration or competition?

Hong Kong, Shanghai, Shenzhen & Taipei

James Lee, Regional Director Greater China, ICAEW

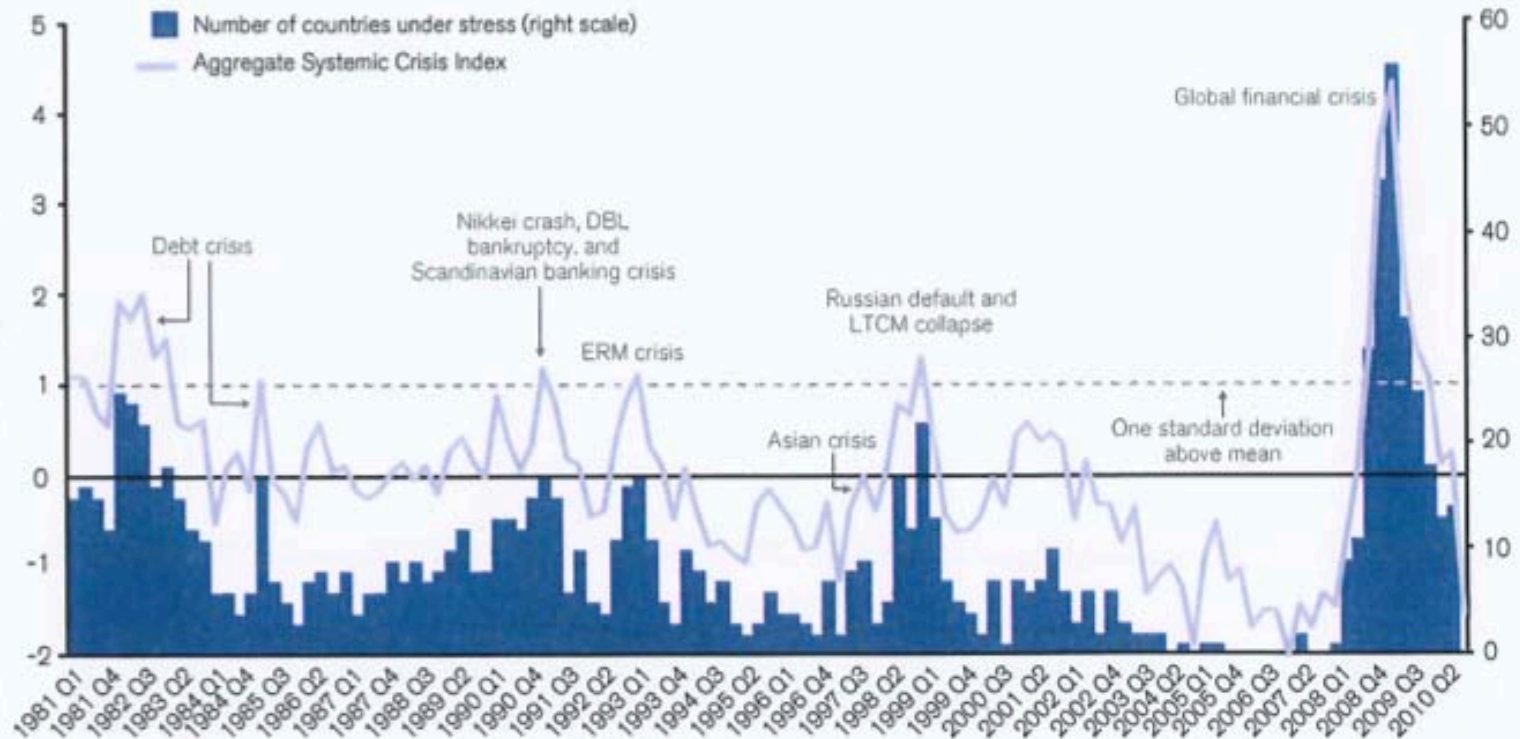
Systemic risk

- China has been largely unaffected by previous economic crises in Europe and the US.
- Are financial centres in Greater China prepared for next financial crisis?



Crisis index

Figure 1: Systemic crisis index and countries under stress



The aggregate systemic crisis index is a simple average of each country's (normalized) systemic crisis index. A country is under stress if its systemic crisis index is above one standard deviation from its mean.

Source: IMF (2011a)

China's potential

- China continues to surprise the world.
- Despite only joining the World Trade Organisation 10 years ago, China is now the second biggest economy in the world.
- Can China surprise the world again by overtaking Hong Kong as a premier International Financial Centre by 2020?



The next Five Year Plan

- Challenges for the next Five Year Plan:
 - Continued internationalisation of the Chinese economy.
 - Ensure a more even distribution of prosperity.





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