Think Wealth Client Connect

Navigating a Bipolar World: Hong Kong's Role as a Super Connector – Bernard Charnwut Chan

Michelle Kwok:
Thank you for joining us on HSBC Think Wealth Client Connect. I'm pleased to be talking with the Honourable Bernard Chan, Chair and President of Asia Financial Holdings. Bernard has spent decades in public services and financial institutions. His experiences will help us understand Hong Kong's position as a global super connector, and the strategies corporate should be focusing on today. Bernard, welcome, and it's great to have you with us.

Bernard Chan:
Thank you.

Michelle Kwok:
So, Bernard, looking at Asia over the next 1 to 2 years, what are the primary macro forces at play and how would Hong Kong, as a global super connector react to these forces?

Bernard Chan:
Well, I think by now we can all recognise the world is heading to pretty much a bipolar world. So, you have the two superpowers, China and the US. So obviously Hong Kong being a super connector for China, we also play a very interesting role as well. Given the fact that all our neighbours will have to figure out how do we work together both with China and the US.

Most Asian countries economically they have to work with China. But at the same time, they still want to keep US as a close ally. The Europeans are probably new to the game, because I think the Europeans have always been very close to the US. But I think given what happened in the last two years and many European companies are now looking towards China as well. So, I think this is a very interesting time for everyone of us, especially with the rise of AI and technologies.

Michelle Kwok:
How do you see geopolitical tensions influencing capital flows and IPOs in Hong Kong, and where are the opportunities?

Bernard Chan:
Hong Kong remains, by far the number one in IPO, fundraising for Chinese companies.
I think Hong Kong will be a key stepping stone for them. So many Chinese companies would take advantage of the Hong Kong platform not just to raise capital, but also for the outbound, whether it is M&A to normal trade, they will go to Hong Kong. China will want Hong Kong to remain very international, so that we can serve China's purpose especially in connectivity to the world.

Michelle Kwok:
So as the China Plus One supply strategies accelerate, how does this impact Hong Kong's role in the global financial market? Is this structural or cyclical?

Bernard Chan:
China Plus One is actually a no brainer now, given the geopolitical tensions.
So, every company needs to figure out how to diversify. You can no longer just put all your supply chain into one country. So, I think if Hong Kong continues riding on our success in our legal system,

our tax system and ease of doing business, Hong Kong still possesses huge advantages for international companies to use Hong Kong to manage the whole supply chains for that China plus one plus three of their models.

Michelle Kwok:
What strategies such as going for AI, tapping into the Greater Bay Area (GBA), should corporates operating in Hong Kong focus on today?

Bernard Chan:
Today, AI is here and I think we are still too slow to react. There are far many more companies that are not there yet. So, I think it's no longer a choice. The question is how. And that's number one.
GBA is a no brainer. GBA is very much part of our market. Yet, there are different regulations, there are different requirements. So, it is not so straightforward and that's why it requires people like you and me to figure out how to create those values.

Michelle Kwok:
Bernard, Thank you for the thoughtful discussion today. It is clear that navigating macroeconomic forces, understanding the China Plus One strategy, and harnessing new technologies, such as AI will remain crucial to business growth and of course, to the positioning of our client's portfolio.
Thank you for joining us today.