

Highlights of 2000

Economic and Banking Environment

In a year of buoyant economic activity, Hong Kong's real GDP grows by 10.5%.

Banks experience a strong rebound in profitability, driven mainly by a sharp drop in the bad and doubtful debt charge.



Monetary Stability

Despite renewed instability in regional markets, the Hong Kong dollar remains stable with a substantial reduction in its risk premium.

The convertibility undertaking rate for the Aggregate Balance reaches 7.8000 on 12 August, converging with the rate for Certificates of Indebtedness.



Banking Stability

The first phase of the deregulation of the remaining Interest Rate Rules takes place in July.

The HKMA consults the public on establishing a commercial credit reference agency and enhancing deposit protection. The results of both consultations indicate general support for the proposals.



Market Infrastructure

Hong Kong's US dollar clearing system is successfully introduced in the second half of the year. The first Payment-versus-Payment settlement of a US dollar/Hong Kong dollar transaction in world financial history takes place in Hong Kong on 25 September 2000.



International Financial Centre

The International Monetary Fund opens a sub-office in Hong Kong in September.

The International Finance Corporation and the International Bank for Reconstruction and Development open a joint regional office in Hong Kong in October.



Reserves Management

The accumulated surplus of the Exchange Fund increases by 5.6%, despite a difficult investment environment. Hong Kong's foreign currency reserve assets stand at US\$107.5 billion at the end of 2000, the third largest in the world.



The HKMA in the Community

The HKMA holds its first summer exhibition, in July and August, attracting over 75,000 visitors.

The HKMA website is redesigned and relaunched in July.



Professional and Support Services

A new Corporate Services Department is established in July to oversee matters relating to corporate development, human resources, administration, finance, and information technology.

