

# Commitment to Growth Motivates Optimism

## 追求增長 推動經濟正向發展



*While there is no escaping a certain amount of consternation relating to Hong Kong's economic landscape, as the New Year begins there is also cause for courageous optimism that could result in a welcome upturn for Hong Kong's economy and the wider business environment.*

對於香港的經濟狀況，各界難免不感樂觀。但隨着新一年開始，市場上也有正向發展的跡象，香港經濟和營商環境可能有望好轉。



Underscoring Mainland China's initiatives to rejuvenate the world's second-largest economy, since September 2024, the Beijing Central Government has unveiled a string of measures aimed at bolstering growth. This includes cutting interest rates, cancelling restrictions on home buying and easing the debt burden on local governments. Stimulus measures also include the People's Bank of China (PBoC) cutting the reserve requirement ratio (RRR) by 0.5 percentage points and reducing the seven day repo interest rate from 1.7% to 1.5%. At the same time the mortgage interest rate for existing home loans has been reduced by 0.5 percentage points, while unifying the down-payment ratio for first and second homes at 15%. Adding a further boost to the property sector, a RMB300 billion re-lending facility was established that supports local state-owned enterprises to purchase commercial homes for affordable housing. Meanwhile, significantly enhancing companies' ability to acquire funds and increase their stock holdings – with the cooperation of the China Securities Regulatory Commission (CSRC) – a swap programme for securities, funds and insurance companies has been established to enable them to obtain liquidity from the central bank through asset collateralisation. An outline assessment of the measures taken by the PBoC and CSRC could result a RMB1-2 trillion liquidity injection into Mainland China's economy.

以半杯水理論為基礎，令人感到樂觀的事件，包括中國內地政府最近出台的刺激經濟政策、香港住宅租金上升，以及美國利率可能減半甚至降至零利率。

中國是全球第二大經濟體，政府銳意活化經濟。自2024年9月起，北京中央政府推出一系列促進增長的措施，包括降低利率、取消購房限制、減輕地方政府的債務負擔等。刺激經濟的措施還包括中國人民銀行降低存款準備金率0.5個百分點，並把七天期逆回購操作利率由1.7%下調至1.5%。同時，存量房貸利率降低0.5個百分點，首套房和二套房的房貸最低首付比例統一為15%。加上中國人民銀行設立的3,000億元人民幣再貸款，支持地方國有企業收購商品房，建設保障性住房，進一步激活房地產市場。此外，中國證監會與中國人民銀行開展了互換便利操作，通過這項工具，證券、基金、保險公司可以將資產抵押，從中央銀行換入流動性資產，大幅提升機構獲取資金的能力和股票增持能力。粗略估計，中國人民銀行和中國證監會的措施，可為中國內地經濟注入一萬億至二萬億元人民幣的流動性。

Taking a glass-half-full approach, key points that give rise to courageous optimism include the recent stimulus measures introduced by the People's Republic of China Government, Hong Kong's rising residential rental market and the possibility of US interest rates being reduced by half, or even one hundred percent.

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### Strategic stimulus measures

Amongst the various stimulus measure taken, the decision by Mainland China’s National Financial Regulatory Administration (NFRA) to cut the RRR by 0.5 percentage points could be the most important. Also of strategic importance is the announcement from the NFRA of a plan to increase the tier-1 capital of the six major commercial banks in Mainland China. Tier-1 capital refers to the core capital held in a bank’s reserves, including common stock and disclosed reserves. The rationale was affirmed by NFRA director LI Yunze. Speaking at a press conference held by

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### 策略性刺激措施

在各項刺激經濟的措施當中，國家金融監督管理總局降低存款準備金率0.5個百分點的決定



the State Council Information Office, LI explained that large commercial banks are the mainstay of Mainland China's financial system serving the real economy, and the main regulatory indicators of large commercial banks are in a healthy range.

LI also explained how the tier-1 capital would be injected in an orderly manner, with coordinated advancement, phased implementation and tailored policies. This initiative to increase the tier-1 capital of the six major banks in Mainland China can be viewed as being the equivalent to a one-off permanent quantitative easing measure because the injection is not likely to be withdrawn in future. If the tier-1 capital of the six major banks increased by RMB1 trillion, it would translate into a lending power increase of RMB10 – 12 trillion based on the following calculation:  

$$\text{Risk-based Capital Ratio} = \text{Regulatory Capital} / \text{Risk-weighted Assets}.$$

Risk-based Capital Ratio is usually set at 8%, if there is an increase in tier-1 capital (regulatory capital) by RMB1 trillion, the risk-weighted assets (mostly bank loans) could increase by RMB10-12 trillion.

最為重要。同樣具有重要策略性意義的，是總局公布對六家大型商業銀行增加一級資本的計劃。一級資本是銀行準備金中的核心資本，包括普通股和公開儲備。國家金融監督管理總局局長李雲澤肯了這項措施的理念。李局長在國務院新聞辦公室的新聞發布會上稱，大型商業銀行是中國金融體系服務實體經濟的主力軍，大型商業銀行主要監管指標處於健康區間。

他又稱，增強核心一級資本，將按照統籌推進、分期分批、一行一策的思路有序實施。這項對六家大型銀行增加一級資本的措施，所注入的資本將來撤出的可能性不高，因此可視為相當於一次性的永久量化寬鬆措施。假如六家大型銀行的一級資本增加一萬億元人民幣，按以下方法計算，將相當於增加10萬億至12萬億元人民幣的借貸能力： $\text{風險為本資本比率} = \text{監管資本} / \text{風險加權資產}。$

風險為本資本比率通常定為8%，假如一級資本（監管資本）增加一萬億元人民幣，風險加權資產（主要為銀行貸款）可增加10萬億至12萬億元人民幣。

## Factors underpinning property sector stimulus measures

Although this is speculative, the acquisition of troubled property developer Mainland China Aoyuan by UAE-based Multi Gold Group may have influenced the speed and implementation of the related stimulus policies.

Four days before the announcement of the property sector stimulus measures, on 24 September 2024, it was announced on the Hong Kong Stock Exchange that Multi Gold, which focuses on sustainability and social responsibility projects in the Middle East and North Africa, had acquired 16.48% of China Aoyuan, making it the largest single shareholder. Subsequently, as part of the deal, GUO Ziwen, the founder of China Aoyuan, stepped down from all his key positions and Multi Gold Director Mohamed Obaid Ghulam Badakkan ALOBEIDLI became China Aoyuan's new chairman and non-executive director.

What had not been reported was how much money Multi Gold needed to invest to become the largest shareholder of China Aoyuan. On 20 September 2024 before the announcement

## 房地產市場刺激措施的背景

有人揣測，陷入財困的房地產開發商中國奧園，被阿聯酋Multi Gold Group收購，可能激發當局加快實施相關刺激政策。

2024年9月24日，即房地產刺激措施公布前四天，香港交易所公布，在中東和北非從事可持續發展及社會責任項目的Multi Gold，收購了中國奧園16.48%的股權，成為最大單一股東。其後，作為交易的一部分，中國奧園創辦人郭梓文辭去所有主要職位，Multi Gold董事Mohamed Obaid Ghulam Badakkan ALOBEIDLI成為中國奧園新任主席及非執行董事。

報告沒有提及Multi Gold投放了多少資金，才能成為中國奧園的最大股東。2024年9月20日，在交易公布前，中國奧園在香港股票市場的買賣價約為0.10港元，總市值四億港元，Multi Gold可能只需6,000萬港元便可取得中國奧園的控制權。簡言之，Multi Gold收購中國奧園，等同以低價把稀有的土地資源轉讓給

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of the deal was made, China Aoyuan was trading at around HKD0.10 on the Hong Kong stock market with total market capitalisation of HKD400 million. Multi Gold probably needed only HKD60 million to acquire control of China Aoyuan. In simplistic terms, Multi Gold's acquisition of China Aoyuan was equivalent to a low-cost transfer of scarce land resources to a foreign entity. Founded in 2016 in the southern Guangdong province, like many other property developers, amid the protracted slump in Mainland China's real estate market, China Aoyuan has struggled with big debts and slow sales. In early 2022 China Aoyuan said that it would not pay or redeem its large US dollar-denominated debts. From a high of HKD13.08 on 17 January 2020, China Aoyuan's share price on the Hong Kong stock exchange had slipped to HKD0.10. Following the acquisition, the stock rose 127% to HKD0.27.

With a number of Mainland China's property companies facing a similar situation to China Aoyuan, the Mainland Chinese authorities would probably want to avoid a similar takeover situation. Therefore, to avoid similar circumstances, the Beijing Central Government has two feasible options:

外國公司。中國奧園於2016年在南方的廣東省創立，像其他房地產開發商一樣，渡過了中國房地產市場漫長的低迷時期，在巨額債務和銷情呆滯的情況下掙扎求存。2022年初，中國奧園表示不會支付或贖回龐大的美元債務。中國奧園在香港交易所的股價，由2020年1月17日的13.08港元高位，下滑至0.10港元。收購完成後，股價上升127%至0.27港元。

中國多家房地產公司面對與中國奧園相似的境況，中國當局很可能希望避免同類的收購事件再發生。為避免類似的情況，北京中央政府有兩個可行方案：

1. 以行政手段拒絕批准收購；但這樣可能造成負面的國際形象。
2. 加快推出刺激政策，加大力度，以提升房地產發展商的股價，從而增加收購成本，減低中國房地產公司對外國投資者的吸引力。



1. Regulatory disapproval of takeovers by administrative measures, however, this could result in projecting a negative image internationally.
2. To quicken the speed and to increase the extent of stimulus policies and implementation to boost the share price of property developers, which would push up the cost of acquisition and make Mainland China property development companies less attractive to foreign investors.

### High demand boosts residential rentals

Dented by several years of high interest rates and weak demand, while residential property purchasing sentiment remains “soft” at a similar level to 2016, residential property rents in Hong Kong have risen by 13% during the same period. According to data released by the Rating and Valuation Department, during 2024, residential rents surged 6.8% from a year earlier. Prompted by the Hong Kong Government’s various talent attraction schemes, including the Capital Investment Entrant Scheme and the Admission of Mainland Professionals Scheme, property market analysts attribute high demand and therefore high housing rental generation on the influx of professionals from Mainland China and internationally. If, as many property market analysts believe, the rising trend of residential property rental continues, sooner or later residential property prices can also expect to resume a rising trend. This would provide a boost to the financial position of the Hong Kong Government as developers could be expected to invest in premium land which would result in the government collecting new sources of land revenues.

### US interest rate scenarios

While it is still early days, and therefore characterised by uncertainties, one indisputable certainly under President Donald TRUMP’s new administration is the size of the US budget deficit, which currently stands at close to USD1.8 trillion, of which USD1.2 trillion is allocated for paying the interest of the US Treasuries. Supposing the current US interest rate was reduced by half, the US budgetary deficit would be reduced to USD1.2 trillion. If the US interest rate was reduced to zero, the US budgetary deficit would be reduced to USD0.6 trillion. At the same time, if the US corporate tax rate was reduced from 21% to 15%, as President TRUMP said he would implement, the result would most likely trigger a surge in the US stock market, which would subsequently provide a boost

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### 大量需求令住宅租金上升

過去多年利率高企，需求疲弱，香港人的置業意欲一直不高，與2016年的情況分別不大；但同期香港住宅租金上升了13%。差餉物業估價署的數據顯示，2024年的住宅租金，比前一年上升6.8%。香港政府推出多項吸引人才的計劃，包括資本投資者入境計劃和輸入內地專業人才計劃；地產市場分析員認為內地和國際專才湧入，導致需求增加，令租金上升。許多地產市場分析員相信，假如住宅物業租金持續上升，售價早晚也會重拾升軌。這樣一來，預料地產商可能會投資於優質土地，從而增加香港政府的土地收入，改善政府的財政狀。

### 美國利率發展

美國在新總統特朗普治下的政策方向如何，現在言之尚早，因此有許多不確定因素。肯定的是，美國財赤龐大，目前接近18,000億美元，當中12,000億是美國國庫券的利息支出。假如目前的美國利率減半，美國財赤便會降至12,000億；假如美國利率減至零，美國財赤便會降至6,000億。同時，特朗普曾說會把美國企業稅率由21%降至15%；如果成真，便很可能令美國股市上揚，刺激美國經濟。這樣一來，全球經濟



to the US economy. It is fair to say the world economy, including Hong Kong, would also benefit. Continuing with this scenario, concerns have been raised if US Treasuries had zero or near-zero yields, investors would lose interest in them. On the contrary, as the amount of new US Treasuries would be reduced substantially due to the smaller budgetary deficit, US Treasuries could become a scarce product in the world capital market, and consequently would be hotly pursued by global investors. In addition to the US stock market, if interest rates were set at zero, the US bond market could be expected to experience a major uplift.

### Concluding insights

Hong Kong's success has always been in its openness to opportunity and willingness to try new things. We owe it to ourselves to avoid the self-fulfilling prophecy of gloom and negativity. In Chinese astrology, 2025 is represented by the Year of the Snake, a symbol of transformation and adaptability. The snake also represents vitality and change, qualities and characteristics to leverage as Hong Kong's banking and finance community seize the opportunities and navigate the challenges during the year ahead. **BT**

都會受惠，香港經濟也不例外。在這情境下，有人關注美國國庫券收益率歸零或接近零時，投資者會對它失去興趣。但另一方面，由於財赤減少，新發行的美國國庫券會大幅減少，成為全球資本市場上的稀有商品，受到全球投資者追捧。如果實行零利率，不僅美國股市得益，預料美國債市也會大幅向好。

### 結論

擁抱新機遇，願意作新嘗試，是香港一向賴以成功的因素。要避免悲觀和負面想法成真，全靠我們自己。2025年是蛇年，蛇象徵蛻變，適應力強，充滿活力；香港的銀行金融界來年應善用這些特質，把握機遇，應對種種挑戰。 **BT**

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