

# [HK SAR Government welcomes launch of Southbound Trading under Bond Connect](#)

The People's Bank of China and the Hong Kong Monetary Authority issued a joint announcement today (September 15) that Southbound Trading under Bond Connect will be launched on September 24. The Hong Kong Special Administrative Region Government welcomes this initiative which further expands mutual access between the two capital markets, and expresses deep gratitude to the Central Government for its support.

The Chief Executive, Mrs Carrie Lam, said, "The National 14th Five-Year Plan expresses staunch support for Hong Kong to strengthen its functions as a global offshore Renminbi business hub, an international asset management centre and a risk management centre. Launching Southbound Trading under Bond Connect to complete the two-way connection of the bond markets will promote further mutual access between the two financial markets, set a new milestone for meeting the objectives laid down in the 14th Five-Year Plan, and reinforce Hong Kong's status as an international financial centre. Such positive impacts are fully illustrated in the Northbound Trading under Bond Connect with foreign holding of Mainland onshore bonds increased from about RMB880 billion in 2017 to RMB3,800 billion as at August 2021 and the average daily turnover increased by 17 times over the same period.

"As I have said in public on a recent occasion, the Central Government will steadfastly safeguard the position of Hong Kong as an international financial centre. We are extremely grateful to the Central Government for launching Southbound Trading under the Bond Connect shortly after the official launch of Cross-boundary Wealth Management Connect last Friday and wish to thank the People's Bank of China and other relevant parties for their support during the process. We will continue to fully leverage Hong Kong's unique advantages and capitalise on development opportunities brought by the National 14th Five-Year Plan, the new development pattern of 'dual circulation' and the Guangdong-Hong Kong-Macao Greater Bay Area. Our goals are to actively integrate into the national development and contribute to the internationalisation of the Mainland's capital market."

The Financial Secretary, Mr Paul Chan, said, "Hong Kong has been striving to deepen the mutual market access with the Mainland to further strengthen our role in connecting the financial markets in the Mainland and the rest of the world. The launch of Southbound Trading under Bond Connect will expand the product suite of the Connect family. It provides an effective channel for qualified onshore investors to make diversified asset allocation, and at the same time presents enormous opportunities for Hong Kong's financial industry. The launch of Southbound Trading will further underline the unique function of Hong Kong in connecting Mainland capital and the wide range of products in the international market. Not only would this enhance the attractiveness of Hong Kong as a bond issuing platform and the liquidity of the bond market in Hong Kong, but also further facilitate the progress of

Renminbi internationalisation. I would like to express my sincere thanks to the Central Government for the support, and relevant authorities for their efforts in implementing the initiative."

Northbound Trading under Bond Connect was launched in July 2017. Southbound Trading will allow Mainland investors to invest in Hong Kong's bond market through connection between the financial infrastructure services institutions of the two places.