

Taking stock

Canadian stock exchanges bullish on promoting ties with Hong Kong and China



John Henderson

With China now emerging as a world economic power, the country's fledgling stock markets have taken on increased importance as an internal vehicle to raise capital, and Canadian stock exchanges and companies are playing an active role in their development.

The Montreal Exchange, for example, is providing extensive training for Chinese securities officials while the Vancouver Stock Exchange (VSE) has the potential to become an important market for mainland firms looking for venture capital.

John Henderson, president of Hong Kong-based Pacific Rim Ventures Ltd., said the Canadian securities industry has been able to position itself as an active participant in Asia primarily because of the initiatives made by the VSE to establish a presence in Hong Kong and China during the mid-1980s.

Henderson, who acted as the VSE's representative in Hong Kong from 1987 to 1990, said the VSE's foray into Asia began after it developed a world-class computerized trading system and sent an official around the world who tried to sell it to other exchanges.

In the process, the VSE started to promote itself as a source of technical and management expertise, and a source of venture capital. Henderson said the VSE's strong relations with the Shenzhen Securities Exchange came about as a result of initial contact about the computerized trading system. "They came in from the hardware side and ended up with formal links," he said, adding attempts were made without success to interest the Stock Exchange of Hong Kong in the trading system as well.

VSE helps development of China exchanges

The VSE's close links with China were illustrated last November when president Don Hudson and John Boddie, vice-president of corporate finance and listings, were invited by Shenzhen



Energy, action, business

Securities Exchange president Xia Bin to visit Shenzhen and Beijing to discuss how the VSE could participate in the development of China's securities industry.

To celebrate the third anniversary of the Shenzhen Stock Exchange, a seminar was organized called "International Symposium on Developing China's Securities Market" and was attended by more than 1,200 Chinese securities and finance specialists. Foreign participants from Vancouver, Tokyo, Korea, Chicago and Hong Kong were also invited.

Hudson told the symposium that the VSE aimed to be "recognized as a lead-