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ECONOMY

HK URGED TO BE GREEN FINANCE HUB

Top US economist says city's role in sustainable development 'becoming central for the whole world'

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Hong Kong is poised to play an invaluable role in sustainable development by capitalising on its strengths in green finance given the mainland's status as a leader in advanced green technologies, a top American economist has said.

Jeffrey Sachs, an economics professor and director of the Centre for Sustainable Development at Columbia University, yesterday also said the Greater Bay Area was superior to Silicon Valley. Beijing should also speed up the internationalisation of the renminbi, he said.

"The role of Hong Kong in

sustainable development is becoming central for the whole world," Sachs said at an event hosted by the newly formed Hong Kong Association for External Friendship, a non-governmental organisation.

The United Nations' Sustainable Development Goals, which were adopted by all of its member states in 2015, are a set of 17 global targets aimed at ending poverty, protecting the planet and ensuring prosperity for all by 2030.

Sachs said China had a unique role to play in driving sustainable development as it was the world's largest industrial nation and the "lowest-cost producer" of advanced green and digital technology.

Hong Kong's role, in turn, was to provide the financing needed and serve as a bridge that connected the world through bond issuances, listings and finding business partners. "Make Hong Kong truly the world's green financial centre," he said.

The city has taken strides in its ambitions to become a leading international green finance hub in recent years, including through sustainable bond issuances as well as with a "green taxonomy" framework to help banks and investors determine the sustainability of economic activities.

Sachs said another of Hong Kong's advantages was the bay area. The bay area was "absolutely unique to the world", he said,

pointing to its huge population of about 87 million and its role as a leading production, education and financial centre.

"Silicon Valley, frankly, is nothing compared to the [bay area]," Sachs said. "You have something much bigger, much more complete."

While Silicon Valley was home to leading universities and tech companies, it lacked the ability to make products and also did not serve as a financial centre, outside its ability to raise venture capital, Sachs said.

Asked by lawmaker and association founder Priscilla Leung Mei-fun whether he felt the adoption of digital currencies would be good for Hong Kong's stock mar-



Jeffrey Sachs says the bay area is one of Hong Kong's advantages.

ket, Sachs said he believed such forms of payment would increasingly become a standard mode of payment in the coming years. "In 10 years, the role of the [US] dollar will be much less, therefore Hong Kong's own monetary arrangements will evolve," Sachs said.

He added given the US dollar's receding role, Beijing should also speed up its current timetable for

internationalising its currency to take advantage of the "transformation" occurring in global trade.

"The direction of trade will change a lot, and with the direction of trade that cannot be dollar-financed, it's going to be renminbi-financed to a much greater extent," he said.

Sachs said amid ongoing conflicts in Ukraine and the Middle East, one of the main issues confronting the world was to avoid any further wars as he highlighted the risk of conflict over Taiwan.

Beijing sees Taiwan as part of China to be reunited by force if necessary. Most countries, including the US, do not recognise Taiwan as an independent state, but Washington is opposed to any attempt to take the self-governed island by force and is committed to arming Taiwan.