

It pains me to say Hong Kong is over

我很痛苦地說香港已經結束了

Stephen Roach

There is more to economic vitality than the stock market. But for Hong Kong, the market has always been emblematic of success. Imagine, a small city state with what had long been the world's fourth largest exchange (it is now fifth, according to Bloomberg data), a global leader of new stock offerings as recently as 2019. 經濟活力不只是股市。但對香港來說，市場一直是成功的象徵。想像一下，一個小城市國家擁有長期以來的全球第四大交易所（根據彭博社數據，目前排名第五），並且在 2019 年新股發行方面仍處於全球領先地位。

It pains me to admit it, but Hong Kong is now over. A city I once called home and have cherished as a bastion of dynamism has had the world's worst-performing major stock market over the past quarter of a century. Since the handover to China in 1997, the Hang Seng index has been basically flat, up only about 5 per cent. Over that same period, the S&P 500 has surged more than fourfold; even mainland China's underperforming Shanghai Composite has far outdistanced the Hong Kong bourse. 讓我痛苦地承認這一點，但香港現在已經結束了。這座我曾經稱之為家、視之為活力堡壘的城市，在過去四分之一個世紀裡卻擁有世界上表現最差的主要股市。自1997年回歸中國以來，恆生指數基本持平，僅上漲約5%。同期，標準普爾 500 指數飆升了四倍多；就連中國大陸表現不佳的上證綜指也遠超過香港股市。

Hong Kong's demise reflects the confluence of three factors. First, domestic politics. For the first 20 years after the handover, its political scene was relatively stable. China was a passive Big Brother. The wheels came off in 2019-20 when, under Carrie Lam, the Hong Kong leadership made the mistake of proposing an extradition arrangement with China that sparked massive pro-democracy demonstrations. China's response, clamping down through the imposition of a new Beijing-centric national security law, shredded any remaining semblance of local political autonomy. The 50-year transition period to full takeover by the People's Republic of China had been effectively cut in half. 香港的消亡反映了

三個因素的共同作用。首先，國內政治。回歸後的頭20年，政局相對穩定。中國是個被動的老大哥。2019-20年，在林鄭月娥的領導下，香港領導人錯誤地提出了與中國的引渡安排，引發了大規模的民主示威活動。中國的回應是透過實施新的以北京為中心的國家安全法進行鎮壓，粉碎了地方政治自治的任何剩餘表面。中華人民共和國全面接管的50年過渡期實際上縮短了一半。

In the spring of 2019 at the onset of the democracy protests, the Hang Seng index was trading at nearly 30,000. It is now more than 45 per cent below that level at 15,750. Milton Friedman's favourite free market has been shackled by the deadweight of autocracy. 2019 年春天，民主抗議活動開始時，恆生指數的交易價格接近 30,000 點。現在比 15,750 的水平低了 45% 以上。米爾頓·弗里德曼（Milton Friedman）最喜歡的自由市場已經受到獨裁統治的沉重束縛。

Second, the China factor. The Hong Kong stock market has long been considered as a levered play on mainland China. For a variety of reasons, the Chinese economy has hit a wall. Structural problems — especially the dreaded three Ds — debt, deflation and demography — have combined with the impact of the Covid pandemic as well as cyclical pressures in the property market and local government financing vehicles. These forces have sparked a three-year bear market that has taken China's broad CSI 300 index down more than 40 per cent from its spring 2021 peak. Reflecting collateral damage on Chinese enterprises listed in Hong Kong and the city's China-sensitive services sector, the Hang Seng has fallen 49 per cent over the same period. 第二，中國因素。長期以來，香港股市一直被認為是中國大陸的槓桿市場。由於種種原因，中國經濟陷入了困境。結構性問題——尤其是可怕的「三個D」——債務、通貨緊縮和人口結構——與新冠疫情的影響以及房地產市場和地方政府融資平台的周期性壓力相結合。這些力量引發了長達三年的熊市，導致中國滬深 300 指數較 2021 年春季的峰值下跌了 40% 以上。恆生指數同期下跌了 49%，反映了在香港上市的中國企業以及該市對中國敏感的服務業受到的附帶損害。

Third, global developments. Since 2018, the US-China rivalry has gone from bad to worse. Hong Kong has been trapped in the crossfire. Moreover, America's "friendshoring" campaign has put pressure on Hong Kong's Asian allies to pick sides between the US and China. This has driven a wedge between Hong Kong and many of its largest Asian trading partners. Outside consequences are likely, especially since Hong Kong's foreign trade totals 192 per cent of its gross domestic product. 第三，全球發展。自2018年以來，中美競爭愈演愈烈。香

港已深陷交火之中。此外，美國的「友好外包」運動給香港的亞洲盟友施加了壓力，要求它們在美國和中國之間選邊站。這導致香港與其許多最大的亞洲貿易夥伴之間產生隔閡。可能會產生巨大的後果，特別是考慮到香港的外貿總額佔其國內生產毛額的 192%。

There is no easy way out for Hong Kong from the interplay between these three developments. Hong Kong has no political discretion to chart its own course. While the Chinese economic factor might improve, I suspect any rebound is likely to be shortlived in light of lasting headwinds from a shrinking workforce and worrisome productivity prospects. Nor do I see an easy path to the resolution of US-China tensions that would prompt a reversal of the friendshoring trend. 對香港來說，要擺脫這三項發展之間的互動，並沒有什麼簡單的出路。香港沒有政治裁量權來制定自己的路線。儘管中國經濟因素可能有所改善，但我懷疑，鑑於勞動力萎縮和令人擔憂的生產力前景帶來的持續阻力，任何反彈都可能是短暫的。我也沒看到解決美中緊張局勢、促使扭轉友善外包趨勢的捷徑。

The contrarian would argue, of course, that all this bad news is already discounted in an oversold Hong Kong stock market. China's recent moves — a raft of government stimulus actions, jawboning, and replacement of the chief securities regulator — might trigger a temporary bounce. However, sceptical investors need to see more from Beijing than just another page from its timeworn countercyclical playbook. Until that happens, Hong Kong is likely to be mired in a trap made in China. 當然，逆向投資人會辯稱，所有這些壞消息都已經在超賣的香港股市中體現出來了。中國最近的舉措——一系列政府刺激行動、訓誡和更換首席證券監管機構——可能會引發暫時的反彈。然而，懷疑的投資者需要從北京看到更多內容，而不僅僅是其陳舊的反週期策略中的另一頁。在此之前，香港很可能會陷入中國製造的陷阱。

I will never forget my first trip to Hong Kong in the late 1980s. Notwithstanding a frightening, steep landing at the old Kai Tak airport, I was immediately taken with the extraordinary energy of the business community. Back then, Hongkongers had both a vision and a strategy. China was just beginning to stir, and Hong Kong was perfectly positioned as the major beneficiary of what turned into the world's greatest development miracle. It all worked out brilliantly, for longer than anyone expected. And now it's over. 我永遠不會忘記 20 世紀 80 年代末我第一次去香港。儘管飛機降落在舊啟德機場時令人恐懼且陡峭，但我還是立即被商界的非凡活力所吸引。那時的香港人既有願景，也有策略

- 中國剛開始崛起，而香港完美地成為世界最偉大發展奇蹟的主要受益者
- 一切都進展順利，持續時間比任何人預期的都要長。現在一切都結束了
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