

China to restart new stock issuance after reform

BOAO - Yao Gang, vice chairman of the China Securities Regulatory Commission (CSRC), said Friday that new stock issuance will restart for sure, but it should take place after relevant reform has been completed.

A capital market would not sustain for long without effective fund raising, said Yao during the Boao Forum for Asia (BFA) Annual Conference 2009.

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He said the global financial crisis had little impact on the Chinese capital market since the listed companies had limited investment in foreign financial products.

Comparing with volatile overseas markets, the Chinese stock market posted better performance, said Yao, citing a 30.34 percent rise of the Shanghai composite index in the first

quarter of this year, and a 41.71 percent gain in the Shenzhen bourse during the same period.

Charles Li, chairman of JP Morgan, said the fact that the Chinese capital market escaped the financial crisis did not mean that China did not need to further open its financial system to the outside world.

He noted China should keep an open mind since the financial market would not move forward without innovation.

BFA was established in 2001 as a platform for high-level interaction between leaders and business people from Asia and around the world. The theme of this year's conference is "Asia: Managing Beyond Crisis".