

Zhou Xiaochuan: China's Growth Enterprise Market

Address by Mr Zhou Xiaochuan, Governor of the People's Bank of China, at the ceremony marking the first listing on the Growth Enterprise Market (GEM), Shenzhen, 30 October 2009.

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Distinguished guests,
Dear friends,
Ladies and Gentlemen,

Good morning!

It is a great pleasure to attend this gathering at the invitation of Shenzhen Stock Exchange and the 28 companies. Today, the Growth Enterprise Market will see the listing of the first 28 companies, which is an event long awaited by the financial community, the scientific and technological circle and entrepreneurs. On this occasion, I would like to extend sincere congratulations to the successful launch of the GEM in my own name and on behalf of the People's Bank of China.

In the 1970's, the Growth Enterprise Market was designed to accommodate vigorous scientific and technological innovation and the boom of start-ups around the world. After three decades of development and especially after the test of this international financial crisis, the GEM is again, showing great vitality.

The GEM in China does not come easy. Years of comparison and analysis of international experiences, policy and system and repeated feasibility studies have finally led to the successful listing of the first 28 companies on the GEM. Therefore, my thanks go to everyone who contributed to this long process.

The PBC and the financial community have been watching and actively supporting the development of the capital market and the launch of GEM. Direct financing should accelerate its pace of development to account for a larger share in financing. We advocate healthy development of the market and have been supportive of reforming the issuance and pricing mechanism on the capital market. The whole financial community attaches great importance to the role of capital market in financing by SMEs and innovative enterprises, especially hi-tech enterprises and growth enterprises. The development of GEM is consistent with the scientific outlook of development. The PBC and the financial community will continue to support the advancement of the GEM in the future.

At present, China's economy is at the key juncture of stabilization and recovery. In accordance with the overall arrangements of the CPC Central Committee and the State Council, we will try to strike a balance between maintaining stable and relatively rapid development of the economy, economic restructuring and managing inflationary expectation. In order to keep the consistency and stability of macroeconomic policies, we will continue to implement the relatively loose monetary policy. The intensity and pace of the monetary policy conduct will be carefully handled to enhance the flexibility and sustainability of the monetary policy.

After the hard work in spring, we have welcomed a harvest – the long awaited launch of the GEM – in the golden autumn. We sincerely hope that the newly-launched GEM will grow in an orderly and healthy manner!

Thank you.