

## AMID ECONOMIC RUBBLE, SHANGKONG WILL RISE

Two years ago, bankers and policymakers were arguing heatedly over whether New York or London was the world's premier financial centre. Amid the post-crisis rubble that covers both cities, those arguments now look terribly passé.

Once the global recovery begins, however, New York and London might be vying less with one another than with a new competitor in the form of a partnership between Hong Kong and Shanghai – call it “Shangkong” – a highly consequential shift of financial gravity to the east.

How could China make a big, dramatic leap? It could begin by strengthening the links between Hong Kong and Shanghai, and transferring financial know-how from the former colony.

Beijing could declare that Shanghai and Hong Kong will have a common set of regulations and recruit some of the world's best financiers to bolster its regulatory structures – perhaps luring them with an advantageous tax regime no longer possible in the west.

*To read the article which is entitled “**Amid economic rubble, Shangkong will rise**”, please visit FT dated 10 May 2009 (hard copy 11 May 2009).*

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