

Research on the Development of Short-Term Financial Products in Hong Kong, China

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Abstract

Short-term financial products refer to financial products with shorter maturities, usually between a few days and a few months. Short-term financial products are highly recommended in many countries and regions due to their advantages such as low investment risk, strong liquidity and short yield period. However, in Hong Kong, the international financial center, short-term financial products are rarely seen in the context of fierce market competition and competition among major banks and financial institutions for market share. The objective of the study is to find out the reasons behind the absence of short-term financial products in Hong Kong by means of literature review, data analysis, model building and examples. After enumerating some of the main reasons for existing studies, it focuses on analyzing the capital flow in Hong Kong and its impact on economic development, filling in the gaps in previous studies. The results of the study revealed that, SWOT analysis is used to put forward relevant suggestions for the development of short-term financial products in Hong Kong.

Keywords: financial market in Hong Kong, short-term financial products, capital flow, SWOT

1. Introduction

Hong Kong is one of the important international financial centers in Asia, with mature financial market and strong financial institution group, including stock market, bond market, money market and derivatives market, etc., attracting many international banks, insurance companies and asset management companies to set up branches in Hong Kong or conduct cross-border business. As one of the world's important foreign exchange trading centers, Hong Kong's foreign exchange market is active, and it is also an important hub for offshore RMB business, with a rich offshore RMB market and offshore RMB products. In recent years, the Hong Kong government and Financial Institution Group have actively promoted the development of financial technology (Fintech), encouraging innovation and digital transformation. Hong Kong's financial technology ecosystem has gradually improved, covering payment, lending, investment, insurance and other fields.

Against the background of such a developed financial industry, Hong Kong still faces many risks, such as global financial market fluctuations, geopolitical risks, fintech competition, etc. In addition, Hong Kong has also accepted social and political challenges in recent years, which has brought certain uncertainties to the development of the financial industry and the investment environment. For many reasons, investors prefer sustained and stable economic growth, and the investment projects they choose are generally based on the premise of low risk. Compared with the mainland, short-term financial products that meet the conditions are rare in Hong Kong. The purpose of this paper is to explore the reasons why there are no short-term financial products in Hong Kong, and try to put forward relevant suggestions for their development in Hong Kong.

2. Research techniques and methods

IS-LM model, symbol description: Y is total output (national income), C is consumption, I is investment, G is government purchase, T is tax, NX is import and export, M is nominal currency quantity, P is price level, M/P is the real currency quantity, r is the interest rate, and L is the money demand. According to the IS curve in the product market,

$$Y = C + I + G + NX$$

the LM curve in the money market,

$$M/P = L(r, Y)$$

The intersection of the IS curve and the LM curve is the equilibrium point of the IS-LM model. The model is reasonable to a certain extent, but it also has some errors and limitations after research. This model is only quoted here as a hypothesis to illustrate some problems.

SWOT analysis is an objective analysis and evaluation of the research object's competitive strengths, weaknesses and external opportunities and threats, which are weaknesses of the research object. The overall strategy and goal conducive to the development of research objects are put forward by synthesizing the four aspects. (Yan, 2023).

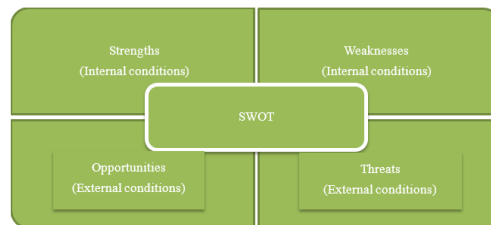


Figure 1. SWOT model

3. Existing research on short-term financial products in Hong Kong

For the phenomenon that there are no short-term financial products in Hong Kong, the current research is mainly carried out from the aspects of interest rates, policies, market demand and laws and regulations.

3.1 Fixed Exchange Rate, Low Deposit Rate

Hong Kong adopts a fixed exchange rate system and maintains a continuous discount relationship with the US dollar. However, the United States suffered an economic crisis in the last century, and the Hong Kong exchange rate was bundled with the US exchange rate, resulting in overheating of the economy and the proliferation of bubble economies. It is very unrealistic to solve these problems through the self-digestion of the market (Zhang, 2020). In the same way, if the US economy lags behind in development, in order to reduce risks and stimulate consumption, Hong Kong's interest rates will drop simultaneously, and the demand for short-term financial products will continue to decline.

According to the IS-LM model, it is difficult for monetary policy to exert its due effect under a fixed exchange rate. As shown in the chart below, assuming that when interest rates are low enough, investors believe that bond prices have risen to saturation. At this time, the wind of investing in bonds is higher, and the speculative demand for money tends to infinity, which is the horizontal part of the LM curve. It enters the so-called "liquidity trap", that is, no matter how much money supply is increased, the interest rate will not fall, which means that the monetary policy adopted at this time will be ineffective. Generally speaking, the ultimate goal of lowering interest rates is to reduce the reporting of savings in order to increase consumption and investment. However, in reality, personal investment and consumption will be affected by many aspects. In addition, the credit relationship cannot be ignored in the economic development of the entire society. At this time, the reduction of interest rates often does not achieve the desired effect. (Our reporter Su Xianggao trainee reporter Yang Jie, 2020).

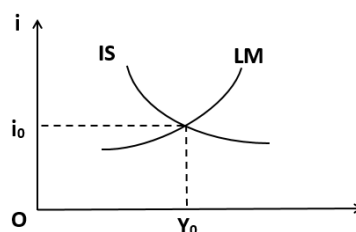


Figure 2. IS-LM model

3.2 Investment Preference

Investors' investment preferences are usually determined by multiple factors and change at various stages. Due to the special historical reasons of Hong Kong, investors are more accustomed to investing in medium and

long-term products such as stocks and bonds. For example, Hong Kong's insurance industry has a long history and its greater international influence makes it qualified to meet the requirements of customers' diversified financial products. Therefore, investors pay more attention to insurance dividends for "long-term investment". The loose control of Hong Kong stocks also makes it difficult to obtain large returns in the short-term. (Bingyan & Chonghuan & Wenqi, 2023). As can be seen from the multi-millionaire investment situation in Hong Kong in 2021, stocks, RMB, funds and bonds account for a large proportion of investment, while short-term products such as deposits and term loans account for a relatively small proportion.

On the other hand, Hong Kong's preference for medium and long-term products has led to a lack of online financial products, and investors have a low level of understanding of short-term financial products. In terms of understanding, investors tend to choose to be in Hong Kong with a longer history, more common and more confident. Profitable wealth management products, which is also an obstacle to the development of short-term financial products.

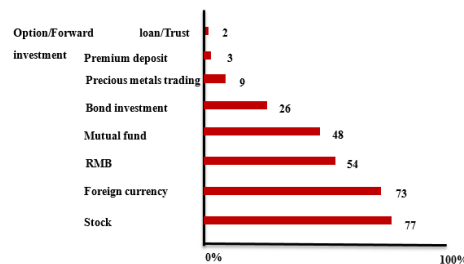


Figure3. Hong Kong multimillionaire investment in 2021

Source: Citi.

3.3 Strict Regulatory System

After continuous review and improvement, Hong Kong's financial supervision system has formed a stable main legal framework. Under the premise of prudential principles, with ex ante risk prevention as the core, strict and effective risk management is carried out, and the government's position in financial management is clarified. Both parties must be subject to legal restrictions (Haiyan, 2012). In Hong Kong, financial business and markets are strictly regulated by institutions such as HKMA (HKMA) and the Securities and Futures Commission (SFC). This supervision effectively prevents market speculators from exploiting loopholes for personal gain, and also makes Financial Institution Groups more cautious when developing wealth management products. Although this cautious and innovative attitude limits the emergence of short-term financial products to a certain extent, it also ensures the stability of financial markets and the protection of investors' interests.

4. Analysis of Capital Flows in Hong Kong

As an international financial center, Hong Kong has huge capital flows. Many investors prefer to invest their funds in more liquid long-term investment products to better deal with market volatility and risks. Capital flow refers to the process of transfer and flow of funds between different economic subjects. It can be payment, transfer, investment, etc. from one economic subject to another, or it can be realized through the transaction and circulation of financial market. Capital flow is an important part of economic activities. It reflects the transactions and interactions between economic subjects. Its speed and scale have an important impact on economic development and stability - smooth and efficient can promote economic growth, create employment and improve living standards, while unsmooth and unstable can trigger financial risks and economic crises. Capital flow can be divided into capital flow in the real economy and financial field. Capital flow in the real economy mainly includes investment, financing, payment and other activities between enterprises, as well as consumption, savings, investment and other activities between individuals; capital flow in the financial field mainly includes inter-bank loans, deposits, transfers and other activities, as well as financial market transactions and investment activities. The main discussion here is the flow of funds in the financial field.

4.1 Capital Flow Structure is Complex in Hong Kong

The structure of capital flows in Hong Kong mainly includes two aspects: capital flows between the mainland and Hong Kong and capital flows between Hong Kong and other international markets. First, capital flows between the mainland and Hong Kong are an important part of Hong Kong financial market. Because Hong Kong is located in an important hub position between the Chinese mainland and the international market,

mainland enterprises and individuals need to conduct cross-border capital flows when conducting trade and investment with Hong Kong. This kind of capital flow is mainly realized through Hong Kong's banking system, securities market and foreign exchange market. Mainland enterprises can conduct cross-border transfer and settlement through banks in Hong Kong, and can also conduct financing and investment through Hong Kong's securities market. Mainland enterprises and individuals can also conduct foreign exchange transactions and capital transfers through Hong Kong's foreign exchange market. Secondly, capital flows between Hong Kong and other international markets are also one of the important characteristics of Hong Kong financial market. As an international financial center, Hong Kong has attracted a large number of international investors and multinational enterprises to invest and finance in Hong Kong. These international funds mainly enter Hong Kong through Hong Kong's Financial Institution Groups and markets, and conduct investment and financing activities through Hong Kong. At the same time, Hong Kong is also one of the important channels for international funds to enter the Chinese mainland market. International investors can enter the Chinese market through Hong Kong's investment vehicles and channels.

The main types can be divided into foreign direct investment, cross-border trade, capital markets activities, banking, tourism and money transfers and remittances.

Foreign direct investment (FDI) is the economic activities of foreign enterprises or individuals directly investing in Hong Kong, including the establishment of subsidiaries, joint ventures or the purchase of equity in Hong Kong enterprises. Cross-border trade, Hong Kong is an important international trade center, and its economic activities include a large number of cross-border trade. The famous free trade port between China and foreign countries has attracted many international enterprises to use Hong Kong as a trade and logistics transit point for trade activities. Capital markets activities, not only the prosperous stock market, bond market and derivatives market, etc., but also many international banks set up branches in Hong Kong and conduct cross-border business. These banks provide various financial services in Hong Kong, including deposits, loans, foreign exchange transactions, etc. This activity has injected strong impetus into Hong Kong's economic development and further consolidated its status as an international financial center. Tourism, Hong Kong is a popular tourist destination, attracting a large number of consumer groups. Tourists from all over the world go shopping, catering and other tourism consumption in Hong Kong, bringing a large amount of capital inflows to Hong Kong. Fund transfer and remittance, Hong Kong, as an international financial center, is also an important hub for global capital transfer and remittance service.

4.2 Capital Flow Scale Rises in Hong Kong

With the increasingly frequent exchanges between Hong Kong and the outside world, the increasingly developed offshore financial market has made the scale of capital flows in Hong Kong continue to expand. Taking the cross-border capital flows between Hong Kong and Jiangsu as an example, from 2001 to 2009, the total cross-border capital flows between the two places increased from US \$10.941 billion to US \$57.322 billion, and the scale of net inflows into Jiangsu Province has grown significantly. The cross-border capital flows of individuals from the two places have continued to grow since 2001, reaching US \$686 million in 2009. (Guopei & Yuan, 2012).

According to HKMA data, as of the end of 2020, Hong Kong's total foreign exchange reserves were 434.10 billion US dollars, ranking fourth in the world. This highlights Hong Kong's important position as an international financial center. Hong Kong is also one of the world's largest offshore RMB trading centers. According to HKMA data, as of the end of 2020, the total amount of offshore RMB deposits in Hong Kong was 1.30 trillion yuan, accounting for about 70% of the total amount of offshore RMB deposits in the world, reflecting the important role Hong Kong plays in the process of RMB internationalization. In addition, Hong Kong's securities market is also very active. According to the Hong Kong Securities and Futures Commission, as of the end of 2020, the market value of Hong Kong's securities market was about 52.80 trillion Hong Kong dollars (about 6.80 trillion US dollars), making it the fourth largest securities market in the world.

According to incomplete statistics, in the stock market, by 2020, there will be 2,170 companies listed on the Hong Kong Stock Exchange, with a market value of about 47 trillion Hong Kong dollars, and the compound annual growth rate of northbound and southbound transactions is close to 80%. In the bond market, as the fourth largest bond market in Asia, its bond issuance accounted for 34% of the total international bond issuance in Asia in 2020. In the insurance industry, Hong Kong has 165 authorized insurance companies, accounting for about 3.9% of Hong Kong's GDP. (Bingyan, Chonghuan, & Wenqi, 2023). In 2019, the total value of trade in goods in Hong Kong reached 3.90 trillion Hong Kong dollars (about 5 trillion US dollars), the number of international tourists received reached 55.60 million, and the total tourism consumption reached 313 billion Hong Kong dollars (about

40 billion US dollars). By the end of 2020, Hong Kong's cumulative inward direct investment stock reached 2.40 trillion Hong Kong dollars (about 3.10 trillion US dollars), IPO financing reached 396 billion Hong Kong dollars (about 51 billion US dollars), and the total assets of the banking system reached 28.80 trillion Hong Kong dollars (about 3.70 trillion US dollars).

When choosing short-term financial products, liquidity of funds is an important consideration. If the liquidity of funds is high, the liquidity of the market will also increase. This means that investors can buy and redeem these products as needed because there is enough money available in the market. However, when the supply of funds in the market is sufficient, investors' demand for purchasing short-term financial products may be lower. Highly liquid funds also help investors to cash out or transfer funds quickly, reducing the liquidity risk of products. Investors can also have more choices to invest in different types of short-term financial products.

5. Recommendations on the Development of Short-Term Financial Products in Hong Kong

5.1 Analysis of Internal Advantages and Weaknesses

5.1.1 Internal Advantages

With a high degree of openness, Hong Kong is a free trade port with free trade policies and an open market without tariffs and trade barriers. Hong Kong has diverse talents and cultures, attracting many international companies and professionals to set up business and live here. In addition, Hong Kong's business environment is very convenient, and the procedures for registering and setting up a business are relatively simple. The government provides various supports and conveniences for enterprises, including tax incentives, entrepreneurial support and infrastructure building.

The financial industry is well developed. Hong Kong has a mature financial market and complete financial infrastructure, including securities market, banking industry, insurance industry and capital markets. The foreign exchange market is active, and the daily foreign exchange trading volume is very large. The Hong Kong Stock Exchange (HKEX) is one of the largest stock exchanges in Asia. Hong Kong is very rich in financial services, including banking, insurance, asset management, investment banking, etc. In particular, the banking industry has strong capital strength and an international business network, attracting a large number of domestic and foreign customers' deposits and investment.

Hong Kong has close trade and investment relations with the mainland. The mainland is Hong Kong's largest trading partner and source of investment, while Hong Kong is an important export market and investment destination in the mainland, with frequent trade and investment exchanges between the two sides. Many mainland companies choose to list in Hong Kong to occupy a favorable position for financing and expanding international business. At the same time, Hong Kong banks and Financial Institution Groups also actively participate in financial markets in the mainland, providing them with capital and service support. (Hong, 2007).

Table 1. Import and export trade between Mainland China and Hong Kong (1997-2006)

Time	Total value of imports and exports			Value of Mainland exports to Hong Kong			Mainland imports from Hong Kong			Balance of trade
	Amount	Annual increase or decrease %	Accounts for the total value of Mainland imports and exports	Amount	Annual increase or decrease %	Accounted for % of the total value of Mainland exports	Amount	Annual increase or decrease %	Accounted for % of the total value of mainland imports	
1997	507.5	24.6	15.6	467.8	33.0	23.9	69.9	-10.7	4.9	367.9
1998	454.1	-10.6	14.0	387.5	-11.5	21.1	66.6	-4.7	4.8	320.9
1999	437.8	-3.6	12.1	368.9	4.8	18.9	68.9	3.5	4.2	300.0
2000	539.5	23.2	11.4	445.2	20.7	17.9	94.3	3.5	4.2	350.9
2001	559.7	3.7	10.9	465.5	4.5	17.5	94.2	0.1	3.9	371.3
2002	692.1	23.6	11.0	584.7	25.6	18.0	107.4	14.0	3.6	471.3
2003	874.1	26.3	10.3	762.9	30.5	17.4	111.2	3.5	2.7	651.7
2004	1126.8	28.9	9.8	1008.8	32.2	17.0	118.0	6.1	2.1	890.8
2005	1366.5	21.3	9.6	1245.1	23.4	16.3	122.3	3.6	1.9	1122.8
2006	1661.7	21.6	9.4	1553.9	24.8	16.0	107.9	-11.8	1.4	1446

Unit: hundreds of millions of dollars.

Source: China customs statistics.

5.1.2 Internal Weaknesses

The strictness of government regulation plays an important role in the financial industry. On the one hand, the strictness of financial regulation in Hong Kong does help protect the rights and interests of investors. On the other hand, however, too strict supervision may make Financial Institution Groups afraid to try new financial products or services to avoid violations. At the same time, in order to meet regulatory requirements, Financial Institution Groups need to invest more manpower, technology and capital, which increases their operating costs, resulting in less investment and expansion, affecting their profitability and international competitiveness.

Investment preference, Hong Kong's economy is highly dependent on the financial industry, especially the capital markets, which may lead to excessive concentration of Hong Kong's economy in the financial sector and neglect of the development of other industries. When these industries or asset classes are affected by adverse factors, it will make Hong Kong's economy more sensitive to financial fluctuations, increase economic instability and exacerbate social injustice.

The development of e-commerce lags behind, and the focus of Hong Kong's development is mainly in the financial industry, however, compared with other regions, Hong Kong's payment system is relatively backward, and the development in fields such as mobile payment and e-wallet is relatively slow. The convenience and security of e-commerce payment needs to be improved. Additionally, consumers have relatively low acceptance of online shopping, and traditional brick-and-mortar retail still dominates, which has limited the development of some e-commerce companies in the Hong Kong market. (Baojian, 2017).

5.2 Analysis of External Opportunities and Threats

5.2.1 External Opportunities

Government support, the Hong Kong government provides a stable and reliable operating environment for Financial Institution Groups by establishing a sound legal and regulatory framework, implements a low tax rate policy, levies lower taxes on Financial Institution Groups and individuals engaged in financial business, and actively invests in and promotes the construction of financial infrastructure, including building an international financial center, expanding the trading scope and product variety of exchanges, and enhancing the development of financial technology. At the same time, focus on cultivating financial talents, and attract and cultivate high-quality financial professionals by promoting financial education and training programs.

Technology development, the Hong Kong government actively invests in and builds technology infrastructure, including technology parks, innovation and technology funds, etc., and supports technology entrepreneurship through various programs and funds. R & D programs and funds support innovative technology research.

5.2.2 External Threats

Changes in international interest rates, changes in international interest rates may have an impact on the returns of short-term financial products. Imagine that interest rates rise, borrowing costs will increase, returns on bonds and other fixed income assets will increase, while returns on stocks and other risky assets will decline, and investors may move funds to countries with higher interest rates. It is easy to cause stress and volatility in financial markets, so that investors will be more inclined to invest their funds in other low-risk, high-return asset classes rather than short-term financial products.

Competition is fierce, and competitors in other financial centers may offer similar short-term financial products and attract investor capital flows. For example, financial centers such as Singapore and London also offer a variety of short-term financial products, which may put competitive pressure on the short-term financial product market in Hong Kong.

Fluctuations in financial markets not only lead to fluctuations in the prices of assets such as stocks, bonds and currencies, but also have a series of effects on investors. For example, in the stock market, a decline in the market may cause a decline in stock prices, resulting in a decrease in the value of investors' portfolios. In addition to this, volatility may also trigger the spread of financial risks throughout the financial system, negatively affecting investor confidence, triggering panic and pessimistic expectations among investors, which in turn lead to deviations from fundamentals and rational judgment in their investment decisions.

5.3 Development Strategy

Combining the internal advantages and weaknesses, external opportunities and threats analyzed above, the following strategic layouts can be made. (Pengfei, 2023).

Table 2. SWOT model

		S (strengths)	W (weaknesses)
External conditions	Internal conditions	1.High degree of openness	1. Strict government regulation
	External conditions	2.Developed financial industry 3.Close ties with the mainland	2. Investment preference 3. The development of e-commerce lags behind
O (opportunities)	1. Government supports 2. Scientific and technological development	SO (Advantage strengthening strategy) 1. Increase the innovative research and development of short-term financial products 2. Strengthen cooperation with the Mainland and learn from each other's strengths 3. Seize the opportunity of diverse talents	OW (Weakness improvement strategy) 1.Explore more appropriate regulatory mechanisms 2.Widely popularize information about short-term wealth management products
	T (threats) 1. Changes in international interest rates 2. Fierce competition 3. Financial market fluctuations	ST (Differentiated competitive strategy) 1. Expand foreign markets 2. Adjust the industrial structure	TW (Tactical evasion strategy) 1. Improve the exchange rate system 2. Strengthen risk management

According to the SWOT analysis, the following main recommendations can be drawn:

Technological innovation and application, increase the innovative research and development of short-term financial products, and provide customers with diversified wealth management products, which can include money market funds, short-term bond funds, short-term financial insurance products, etc., to provide different risk and return options. Use advanced science and technology to improve the convenience and user experience of short-term financial products. For example, provide online purchase and management platforms, provide mobile end APP, etc., to facilitate investors to manage and monitor their investment portfolios. Use innovative technology to enhance the development of short-term financial products. For example, an online investment platform can be launched, allowing investors to easily purchase and manage short-term financial products. According to the needs and risk tolerance of different investors, provide personalized suggestions and recommendations to help investors choose short-term wealth management products that suit them. In addition, technologies such as artificial intelligence and big data analysis can be used to provide more accurate investment advice and risk management tools. Take advantage of diverse talents to gather and burst new impetus for innovation.

Strengthening risk management. When launching short-term financial products, Hong Kong needs to strengthen the supervision and compliance control of risk management. This includes ensuring the transparency and information disclosure of products, as well as strengthening threat and risk assessment and monitoring of products. Strengthening risk management can enhance investors' confidence in short-term financial products, reduce latent risks, and protect investors' interests. This can be achieved by adopting scientific threat and risk assessment methods and establishing an effective risk monitoring system, and responding to potential risks in a timely manner. In addition, it is also essential to strengthen the transparency and information disclosure of products. By providing clear and clear product descriptions and risk disclosures, investors can fully understand the characteristics, risks and benefits of products, and at the same time provide investors with appropriate training and education to help them make informed investment decisions.

Strengthening education and publicity, ensure that investors are provided with detailed, accurate and easy-to-understand information, including product characteristics, risks and return expectations, etc., through promotional materials, websites, promotion videos, etc. Organize educational activities for short-term wealth management products, such as lectures, seminars or online training courses, to introduce investors to the basic knowledge of short-term wealth management products, investment strategies and risk management. Emphasize the risk management measures and investor protection mechanisms of short-term wealth management products in the publicity and education to increase investors' confidence and understanding of the products. At the same time, by providing high-quality services and returns, build a good brand reputation and customer reputation, and attract more investors to participate in short-term wealth management products. Hong Kong can strengthen education and publicity for investors and improve their understanding and awareness of short-term financial products, which can be achieved by holding investment education activities and providing investment guidance and information. By improving investors' financial literacy and wealth management awareness, it can help them

better understand and evaluate the risks and returns of short-term financial products, and help investors make informed investment decisions.

6. Conclusion

Through the above research, it can be concluded that the main reasons for the absence of short-term financial products in Hong Kong are as follows:

- (1) The Hong Kong exchange rate is stable, the international interest rate changes, and the investment return of financial products is low. Recently affected by the United States, according to the latest news released by the Hong Kong Monetary Authority, as of August 2023, the interest rate in Hong Kong is 2.55%, up 9 basis points from July of the same year. It can be seen that the US interest rate has a great impact on Hong Kong.
- (2) Investors are more inclined to medium - and long-term investment, lack of understanding of short-term financial products, and are more willing to choose low-risk and high-return investment. For example, Hong Kong's real estate market has long had a high rate of return and stability, and many Hong Kongers use real estate as their main investment method to buy residential or commercial properties.
- (3) Hong Kong's financial supervision system is strict, and financial institutions are more cautious in the research and development of financial products, with limited product types and lack of innovation. Hong Kong's financial laws and regulations are very complete, including the Banking Ordinance, the Insurance Companies Ordinance, the Securities and Futures Ordinance, etc., and Hong Kong's financial inspection department will strictly crack down on and punish illegal acts of financial institutions, such as money laundering, fraud, insider trading and other illegal acts, which will be severely punished by law.
- (4) The capital liquidity in Hong Kong is relatively high, and investors are more willing to choose financial products with a longer term to obtain more stable and higher returns. As can be seen from the above, it is not only complex in structure but also increasing in scale of flow.
- (5) Hong Kong has a limited population and a small investor base. According to 2022 data, Hong Kong's population is about 7.33 million, accounting for about 0.52% of the Chinese mainland population, and its investment population is even smaller.

After the overall analysis of Hong Kong's financial sector, the following suggestions are drawn for the development of short-term financial products in Hong Kong:

- (1) To upgrade the level of science and technology in Hong Kong, make proper use of advanced science and technology, and increase innovation in short-term financial products. For example, by referring to Yu 'e Bao and other financial products in the mainland, an APP platform can be established. On the one hand, real-time information about changes in the financial market can be pushed to users to help investors choose appropriate financial products and avoid risks in a timely manner. On the other hand, users are provided with personalized customized services, and investors directly manage their portfolios.
- (2) Improve the ability of policies to control investment risks and safeguard the interests of investors. , the impact of the United States interest rate on Hong Kong can not be directly regulated, you can try to develop the currency market to the mainland, improve the liquidity and market depth of the currency with the mainland, so as to reduce the dependence on the foreign exchange market. The transmission effect of lower US dollar interest rates on Hong Kong interest rates.
- (3) Strengthen publicity and education and promote personnel training. Strengthen the cooperation between universities and financial institutions, financial practitioners and international educational institutions, increase internship and practice opportunities, carry out academic exchanges and cooperation projects, provide practical cases and business experience, and improve the practicality and pertinence of teaching.

In general, the development prospects of short-term financial products in Hong Kong are positive. Make full use of the advantages of Hong Kong's status as a financial center, a high degree of openness, and maintaining close ties with the mainland, seize the support of the mainland and the Hong Kong government, and the increasing development of technology. Opportunities, adjust strategic layout, develop innovation, vigorously cultivate relevant talents, promote the further popularization of short-term financial products, help Hong Kong's financial industry to expand the market more comprehensively and stably, and drive Hong Kong's economy to renew new vitality.

Informed consent

Obtained.

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Data sharing statement

No additional data are available.

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