

Three-year Comparisons

	2002-2003	2001-2002	2000-2001
Market			
Hong Kong remains a leading fund-raising centre in Asia			
Number of listed companies*	985 (+9%)	901 (+12%)	803
Market capitalisation (\$ billion)*	3,428.9 (-13%)	3,924.4 (-7%)	4,239.9
Number of IPOs	96 (-10%)	107 (+24%)	86
Capital raised through IPOs (\$ billion)	53.3 (+251%)	15.2 (-89%)	132
Hang Seng Index down but trading has been orderly			
Hang Seng Index (points)*	8,634 (-22%)	11,033 (-14%)	12,761
Trading volume down			
Average daily market turnover (\$ billion)	6.4 (-17%)	7.7 (-25%)	10.3
Finances and Staff			
No government funding required despite lower income			
Income (\$ million)	337.2 (-7%)	363 (-27%)	494.7
Strict cost control curbs expenses			
Expenses including depreciation (\$ million)	395.6 (-5%)	417.2 (-1%)	421.3
Frozen permanent establishment ¹			
Permanent established posts*			
– excluding dual filing	361 (0%)	361 (+1.4%)	356
– including dual filing	373 (+3%)	361	356
Steady retention of experience and expertise			
Staff turnover (%)	8.8 (+19%) ²	7.4 (-57%)	17.1
Strong mix of experience and expertise			
Number of lawyers, accountants and Chartered Financial Analysts*	152 (-2%)	155 (+15%)	135
Number of training programmes	263 (+2%)	258 (+6%) ³	243
Training man-days per employee	4 (-47%) ⁴	7.6 (+52%) ³	5
Corporate Finance			
More transactions handled			
Total number of transactions handled	341 (+27%)	268 (-5%)	283
General offers, partial offers, privatisations and whitewash waivers under Takeovers Code and off-market and general offer repurchases under Share Repurchases Code	77 (+24%)	62 (+22%)	51
Other applications	264 (+28%)	206 (-11%)	232
Intermediaries and Investment Products			
Licence applications increase			
Applications for licence	4,555 (+38%)	3,306 (-74%)	12,933
Total number of SFC licences ^{5*}	26,411 (-7%)	28,395 (-1.6%)	28,844
Focused use of resources on inspections			
Routine inspections (cases)	139 (-35%)	215 (-18%)	262
Special inspections (cases)	16 (-61%)	41 (+86%)	22
Prudential meetings	86 (-15%)	101	N/A
Breaches by dealers, traders and advisers noted from completed inspections during the year ⁶	510 (-8%)	553 (-34%)	833
Sustained growth in authorised products			
Authorised collective investment schemes*	2,457 (+6%)	2,316 (+2%)	2,267
Investment funds increase in value			
Net asset value of authorised unit trusts and mutual funds ⁷ (US\$ billion)	342 (+20%)	285 (-8%)	311

	2002-2003	2001-2002	2000-2001
Enforcement			
More investigations and disciplinary inquiries			
New investigations (cases)	391 (+25%)	311 (+5%)	297
Successful prosecutions (entities) ⁸	37 (-26%)	50 (+16%)	43
Disciplinary inquiries conducted	163 (+14%)	143 (-5%)	150
Entities disciplined	86 (-18%)	105 (-21%)	133
Supervision of Markets			
Growing funds for investor protection			
Net asset value of Unified Exchange Compensation Fund (\$ million)*	872 (+12%)	780 (+24%)	629
Net asset value of Commodity Exchange Compensation Fund (\$ million)*	129 (+11%)	116 (+13%)	103
Reaching Out			
Enhanced website attracts more visitors			
Corporate website's average daily hit rate (hits)	266,590 (+45%)	183,671 (+149%)	73,888
Continuing investors' interest in on-line education			
eIRC's average daily hit rate (hits)	25,896 (-2%)	26,367 (+26%)	21,000
Increased investor awareness of rights and responsibilities			
Complaints	959 (+33%)	721 (+28%)	562
Enquiries	3,982 (+30%)	3,073 (-11%)	3,453
More investigations into complaints			
Complaints referred to divisions	576 (+28%)	449 (+17%)	385
Complaints leading to full investigations	163 (+44%)	113 (+38%)	82
Better communication with the public			
Press releases issued ⁹	299 (+38%)	216 (+10%)	197
Consultation and Guidelines			
Public consultation exercises continue			
Consultation papers issued	20 (-20%)	25 (+150%)	10
Greater transparency of decisions			
Consultation conclusions issued	37 (+363%)	8 (+167%)	3
Clear regulations to reduce compliance costs			
Codes and guidelines issued	36 (+125%)	16 (+23%)	13

* Figures as at financial year-end

¹ Excluding additional posts for dual filing created in 2002-2003.

² The increase in turnover was mainly due to higher turnover of general grade staff leaving for further studies.

³ Training programmes organised by individual departments for their own staff were included from 2001-2002.

⁴ There was a reduction in training man-days although the number of the training programmes has been maintained at the same level. This was attributed mainly to the fact that training programmes this year were generally of a shorter duration. Long courses (one day or longer) by paid external consultants or overseas programmes have been reduced due to budgetary constraints.

⁵ Licensees included individuals, sole proprietors, partnerships and corporations.

⁶ A single inspection may reveal breaches of more than one provision.

⁷ NAV as at 31 December 2002, 2001 and 2000.

⁸ Prosecutions included cases of market manipulation, illegal short selling and unregistered dealing activities, breaches of Securities (Disclosure of Interests) Ordinance and Protection of Investors Ordinance.

⁹ Excluding press releases issued in compliance with the Securities (Disclosure of Interests) Ordinance.