1.1 From a Fishing Village to the IFC Mall

— Alvin Ho, CFA

Hong Kong famously came to be called the world's freest economy by Nobel Laureate Milton Friedman, as Richard Wong, one of the leading Chicago disciples here, recounts recently (Wong, 2017, p. 3).[1] However, debates have been around about what the "free-ness" of Hong Kong precisely means. Many, including Paul Krugman, another Nobel Laureate, see Hong Kong as part of the Asian "miracle," spearheaded by Japan and later joined by the four Little Dragons, which employed a statist approach and drew "envy" (Krugman et al., 2018, p. 741-2). The future of Hong Kong has always been a subject of debates and conjectures, many sensational, some apocalyptic, but few prophetic.[2]

Social Contract under the Colonial Administration

As a colony ceded to imperialist Britain after the Opium War, the colonial administration ruled Hong Kong for about 150 years up to the return to China in 1997. Little was known about Hong Kong from the 1800s to the Second World War. Many British trading companies saw the colony as an entrepot to extract, trade, and export natural resources, including opium and other "illicit" products from China (Haggard, 1990, p. 116). After 1949 and the Korean War, Hong Kong's role as a trading port declined briefly because of the embargo employed by the U.S. against China.

However, the influx of people from Shanghai and Southern China to Hong Kong provided the city with new inputs for growth: capital and cheap labor. Hong Kong soon turned from a village shelter for merely 600,000 people in 1945 to an urban overcrowded city with a 2.3 million population in 1951, reaching over 7 million in the early 2010s (Wong, 2017, p. 22).

In concurrence with the pattern of global trade, which the Cold War dramatized, Hong Kong and the other Little Dragons followed suit with Japan and benefited from the demands of the postwar booms in developed countries. The rapid growth in light industries (textiles and electronics) in Hong Kong at the time maximized the transfer of private, mostly familial capital and technologies from Shanghai and other Chinese diasporas in the region to constitute the first wave of industrialization of the city.

This rise of Hong Kong is characterized economically as export-led and laissez-faire. Politically, the role of the colonial government in many ways resembled that of Japan and the other Dragons. Near absolute political or governmental autonomy vis-a-vis the society, especially on economic policies, was entrenched and preserved. However, in the case of Hong Kong, the explicit exercise of that absolute power had been rare. Lau Siu-Kai, a sociologist who later became a senior policy adviser, postulated a model of a “minimally-integrated social-political system” that underpinned the governance structure of the time (Vogel, 1993, p. 60-67, 80; Haggard, 1990, p. 116-123; Lau, 1983, p. 545).

The *doctrine of positive non-interventionism* described by the then Financial Secretary Philip Haddon-Cave in 1976 illustrates the have-the-cake-and-eat-it playbook whereby the government might intervene where it saw fit.[3] The doctrine came out of expedience for the small colonial office with limited, trusted expatriate staff and few policy tools. However, the essence of this "self-proclaimed" overall non-intervention framework was that the government would actively or positively intervene where markets were considered to have failed.

"The end of an era [of the economic miracle]" in the 1990s caused some to label the period a "myth" instead (Vogel, 1993, p. 94). However, Hong Kong was uniquely positioned when mainland China's 1978 open-door policy began to feed its impact first to Hong Kong and then to the globe. While Japan and the other Dragons each struggled with the changing demand and supply conditions, Hong Kong benefited from the opening of this massive hinterland. The city grew its manufacturing sector, albeit under a modified model. The labor-intensive, light industrial businesses were relocated to Southern China while the city's financial, client-facing, and auxiliary service-oriented sectors prospered.

The model was bolstered by a relatively clean government, a common law-based judicial system, and the high efficiency of its workforce, composed of the post-war baby boomers of the 1950s. Maturing workers, executives, and business owners were just about to take up their roles in an economy migrating from primarily manufacturing activities to tertiary or service-oriented business models. This "Second Reorientation," underlined by the structural metamorphosis, propelled the city forward. These new immigrants gradually released substantial demands for housing, mortgage, and other financial services, boosting the development of the property and banking sectors.

This was when the service industries in the city began to emerge, get into shape, and put their stamp on the global trade flows.

Passing the Batons from Hongs to Homegrown Capitalists with a Peg

Until the late 1970s, British trading companies, or hongs, and banks from England dominated Hong Kong's business and financial scenes. These hongs controlled many aspects of the economy, from airlines and public transport, to telecoms, banks, and dairy products. Emerging local businessmen, however, took advantage of the shifting market forces of the city. Notably, some local industrialists emerged to seize the opportunity left open by some retreating foreign moguls. This was perhaps best marked by Cheung Kong's HKD 639 million takeover of Hutchison Whampoa, a struggling British conglomerate held by Hong Kong Bank (which was later renamed Hong Kong and Shanghai Banking Corporation, or HSBC). [4]

Together with a few visionary industrialists and property developers, this group of homegrown capitalists, some tracing their birthplaces to mainland China, grabbed control of such crown-jewel assets as Wheelock (property), China Gas (utility), and HK Electric (utility).

Meanwhile, the city's economic infrastructure and institutional set-up had evolved commensurate with its needs. Perhaps the most important was establishing the currency board system in 1983. It was a time when the protracted negotiations between the British and Chinese governments about the future of Hong Kong faced challenges. Amid a crisis in confidence, the pegging of Hong Kong dollars to the U.S. dollar under a linked exchange rate stabilized the scene. It helped the city to withstand repeated speculative attempts before the handover.[5] The unification of the stock exchange, the predecessor of the Hong Kong Stock Exchange, in 1986 also helped shore up the capital markets and consolidated the hitherto untidy listing venues and trading practices (Jao, 2001, p. 31-34, 74-82; Feng, 2017, 151-158, 276-287).[6] With its relatively neat and small geography, the city became a contender to be one of the world's major financial centers, jockeying positions with New York, London, and others.

Perhaps, the creation of the One IFC in 1998 can be called upon as an excellent witness to these developments.

First Crisis:[7] Handover to the Asian Financial Crisis (1997-98)

Deemed to have started on 2 July 1997, the Asian Financial Crisis of 1997-98 (AFC) hurt businesses. It brought extreme public market volatility across the region from Thailand, Malaysia, and Indonesia to South Korea, with ripple effects lingering on for years (Krugman, 2018; Jao, 2001; Napier, 2021).

In Hong Kong, 13 months after the AFC began, the local government staged an unprecedented intervention to buy shares publicly and fight off short-sellers (Chan, 2019). It was a resounding success, despite the heavy criticisms from Alan Greenspan and Friedman. While Hong Kong's real economy suffered from the AFC, a policy trilemma, or the "impossible trinity" (Mishkin, 2016, p. 519), restricted the government's options. The mechanism that could adjust for such a regional slowdown and the U.S.-led tightened interest rates would be the real economy. Hence, real and financial assets saw their prices plummet until 2003 when SARS hit Hong Kong hard.

If the previous phase could be called the "Second Reorientation," the post-2000s rise may justifiably be the third. This time, the service sector, particularly the financial and securities sectors, experienced a new iteration. With China's entrance to the World Trade Organization in 2001, and the policy under which Premier Zhu Ronji advocated "state-retreat-private-advance," a vibrant private sector in the mainland emerged. Its hunger for overseas listings and funding came to the forefront.

Street markets' exuberance rivaled capital market buoyancy. The relaxation of travel policies between the borders of Hong Kong and Shenzhen brought substantial purchasing power from the mainland. The spending naturally spilled over to property and stocks, a classic double play of Hong Kong for decades.

Second Crisis: Tides of the Global Financial Crisis (2007-08) [8]

Warren Buffett hit the nail on the head by saying, "It's only when the tide goes out that you discover who's been swimming naked." Therefore, when the tsunami waves broke, many bankers needed to borrow leaves (greenbacks) from central bankers to cover their exposed bodies. Quantitative Easing (QE) has thus become the hallmark of the decades since the Global Financial Crisis (GFC) occurred.

Locally, the GFC hit Hong Kong with a variant of the subprime crisis. Structured products such as Lehman's minibonds amounted to about HKD 6 billion spread across over 6,000 bondholders (Feng, 2017, p. 405). Other derivative products like accumulators, colloquially dubbed as "I-will-kill-you-later," were reported to have an estimated outstanding balance of USD 23 billion. These figures were naturally not too big to fail.

In the U.S., the center of the storm, the root causes must be manifold for a crisis of this magnitude. The more lenient critics would cite "notorious" financial engineering, adverse selections (agency problem), and asymmetric information of credit agencies as "causes," leaving many actors as onlookers (Mishkin, 2016, p. 320-1). Across the Atlantic, some elected to defend the system or the relevant actors by citing the concept of "intellectual capture," suggesting that regulators, bankers, economists, and analysts were intellectually blinded by the prevailing mathematical models (Kay, 2015, p. 236).

For others, the outbreak of the GFC was fundamentally a failure to supervise by the world's only superpower. Regulators were "negligent in spotting the build-up of…toxic assets," "failing to regulate…," and "complacen[t]," wrote Julia Leung when she was briefly at Harvard. At the heart of the "comprehensive" solutions deployed to deal with the "disaster" was an inconvenient truth about a "policy particularism…the reality of… reserve currency dominance." [9]

Perhaps in less overt terms, Liu He, then a researcher, wrote in a 2013 comparative study that crises like the Great Depression and the GFC were precipitated by disruptive technological changes, first and foremost. But then, Liu also drew on lax regulations and monetary policies, pre-crisis income inequality, politicians who succumbed to populism, and the self-perpetuating crisis pathology as the distinctive features of the GFC. Therefore, Liu concluded with three "policy ponders." Chief among them would be the changing opportunity set presented to China. Before the GFC, the set crystallized in exports and foreign investments. After the GFC, and especially with shrinking global demand, the set changed. On the one hand, China's domestic markets would become a lever for global recovery. On the other hand, opportunities for acquisitions in technology and overseas' infrastructures would arise (Liu, 2013). These "ponders" are prescient, and may have irked many hawks in Liu's future opposing ranks in bilateral trade negotiations.

The post GFC rise of Hong Kong, unlike the one after the AFC, was very swift. As an open economy, it was one of the primary beneficiaries of QE and its many variants prescribed by actors across the globe. Bankers had seen IPO deals sealed quickly and unicorns sprung up from nowhere. However, torn between further relaxation (to stay competitive), vested interests and risk management, certain systemic weaknesses, such as land supply and gate-keeping functions of financial regulations, persisted.

Third Crisis: Unprecedented Pandemic-led Crisis (2020-Present)

While easy money had numbed investors to economic or financial risks, near-invisible droplets caused a black-swan event that spoiled the party. First reported in Wuhan, China, COVID-19 quickly spread through the world despite the World Health Organization declaring the contagious disease a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020.

Globally, major indices invariably corrected "unprecedently," as the crashes were unmatched by any previous events of a pandemic nature (Baker et al., 2020). Many studies pointed to the implementation of lockdown, social distancing, and other restrictive policies as the causes of the destructive force. Locally in Hong Kong, the pandemic came hard on the heels of nearly 18 months of upheavals described as "unprecedented pressure" by the city's leadership in the 2021 policy address (Office of the Chief Executive, 2021). While the city's bellwether Hang Seng Index did react negatively in July 2019, the tumble in March 2020 was twice as much. Major indices saw some swift rebounds as mainland China was seen at the time to be the first to come out of the woods. With its digital economy turbocharging, and exporters benefiting from its vast and stable supply chain, the statist model drew praise and envy briefly. However, 2021 saw a series of domestically derived "iron-fist policies" hitting many business forerunners whose shares were owned by international investors. These included the big-and-partially-failing property conglomerates and the tiny insect-like microlenders. The trends continued into 2022, when the return of inflation surprised a few people.

As events unfold, the city of Hong Kong, just like 180 years ago, sits right in the center of barters, exchanges, and diplomacy, on the one hand, guns, germs, and steel on the other. At this historic juncture for CFA Society Hong Kong, this volume aspires to serve one overriding objective—to tell our history and the rises, our ways. Each of the articles is written with reason, professionalism, and passion. They contain the stories we would save up and tell our grandchildren.

Section Outline

This volume comes in five sections. Section 1 here (and above) is a quick introduction. To further set the scene and exemplify the Society's volunteerism, our volunteers have compiled a table of Hong Kong's "then and now":

Data	Unit of Measurements/Explanation	1997-98	2007-08	2019-21	Source
Index Performance					
Dow Jones	% From Peak to Bottom	-21.00%	-47.50%	-38.40%	Bloomberg
S&P 500	% From Peak to Bottom	-22.40%	-53.00%	-35.40%	Bloomberg
Hang Seng Index	% From Peak to Bottom	-53.00%	-66.60%	-41.50%	Bloomberg
Shanghai Composite	% From Peak to Bottom	-32.10%	-72.80%	-23.30%	Bloomberg
Data: Big and Small					
CFAHK membership	Numbers of members at year end	337.0	5,294.0	6,661.0	CFA Society Hong Kong
Transportation traffic numbers	Daily Patronage (million)	10.3	11.4	8.9	Census and Statistics Department
Number of Regional Headquarters	# of firms	819.0	1,298.0	1,504.0	Census and Statistics Department
Emissions	Kilotonnes C02-e	36,000.0	41,500.0	33,800.0	Hong Kong Government
Price of Baked Pork Chop Rice	HK$	21.0	27.0	44.0	Café de Coral, hk01.com
HKEX's average daily turnover	HK$ (billion)	10.7	72.0	166.0	Hong Kong Exchanges and Clearing

Figure 1: 30 years of Hong Kong in Numbers
Source: Various as cited (complied by volunteer Daniel Chan, Alfred Lau and Felicia Wong.)

Surprised, hey?

Section 2 aims to provide the macro foundations on which the city of Hong Kong operates. In Chapter 2.1, Nick Pollard discusses his views on leadership and experience across crises interactively, including a chartered-flight rescue act when Hurricane Ivan hit the Caribbean region. Christine Loh, in Chapter 2.2, employs the lens of “One Country, Two Systems” to examine the evolving natures of Hong Kong’s governance and policy responses during the three crises, concluding with a touch on the HKD peg. In Chapter 2.3, Jim Walker draws on the experience of the AFC and GFC to advocate his Austrian economic view that these crises are themselves the recoveries, and that destruction and defaults are indeed part of the creative process. In Chapter 2.4, Rocky Tung, Wivinia Luk, and Joyce Lee will discuss their lessons learned and consider the impact of technology changes on current challenges. Chapter 2.5 contains extracts from Russell Napier’s 2021 book on the AFC, for which he prefaces and adds a new reference to how the errors of reasoning have shaped the crisis and the aftermath. Hongbin Qu, in Chapter 2.6, shifts the focus to the mainland and discusses how before the GFC, Premier Zhu Rongji’s bold engagement with SOEs and big banks during WTO entry helped to deepen China's reform and indirectly cushioned Hong Kong from the global turbulence. In Chapter 2.7, Eric Lui charts and graphs the trajectories of global finance, showing how the "don't fight the Fed" mantra seems to have run its full course. Closing the section are Jeffrey Ng and Kevin Ow Yong, who in Chapter 2.8 account for the pandemic tale of two cities in a revived duel between Hong Kong and Singapore.

Section 3 comprises essays that reflect on the process of capital formation, i.e., the ecosystem of the sellside. Leading the pack is Erwin Sanft, who in Chapter 3.1 recalls his lonely moments in tracking mundane, earthly materials like cement and coal before the commodity booms took off. Hot on his heels in Chapter 3.2 is Candy Wong, who, in addition to reliving her personal AFC diary, gives an account of how she sees HK will survive or struggle by firstly looking inwards at the city's pension system and secondly by staying ultra-cost competitive. Water Cheung will follow up in Chapter 3.3 by recounting his crisis management in derivatives trading, structured credit products, and boutique merchant banking, concluding with four pairs of outs and ins. In Chapter 3.4, Mariana Kou presents in motion-picture style her roller coaster-like career in equity research from New York to Hong Kong, culminating in a switch to investment amid some sector upheavals. Striking a chord, David Ching, in Chapter 3.5, provides his witness statements on the lethal calls from HR at Lehman London and, more recently, the uneasy rhythms of the Fed's interest rate maneuver, blockchain, and web3. It is Agnes Tai who, in Chapter 3.6, reminds us of the days when a premier Hong Kong investment bank rose above its global and local peers by, among other things, sleepless nights in Central, and draws the comparison of the talent crisis. Bringing an Indonesian flavor to the volume, Simon Saputra, in Chapter 3.7, cites his early appreciation of living on the rich supplies of the "New York of Asia" and the similarity of Orang Kaya Baru to the Chinese new rich.

Section 4 has the shortest sectional word count, appropriate to the fact that it is coming from the buy side, or capital deployment in systemic terms. Kicking off for the group is James Soutar, who befittingly takes us back to the closures of the stock exchange in 1987 and draws a comparison to the present-day COVID-19 prevention measures with unintended consequences in both episodes. In Chapter 4.2, Ronald Chan tells of an incident where investors' forced liquidation turned out to be a blessing for the money manager in terms of performance and character building. From one incident to all seasons, Peter Phillips begins with a 45% drop in the HSI. He closes Chapter 4.3 by asserting, almost religiously, that a crisis of any magnitude will occur again, but the city of Hong Kong will manage. Sean Debow, who completed the CFA program in tandem with one of the editors here, adds rich anecdotes in Chapter 4.4, including the unsteady taxi ride to the Grand Hyatt Jakarta and the importance of on-the-ground, in-the-heart-of-the-storm research capability for all styles of investment. Lin Ning goes for singularity rather than multiplicity by zooming into his moments on 12 September 2008, the last business day of Lehman Brothers. In a no-nonsense way, Alex Au writes in Chapter 4.6 a mini random walk on Stanley Street, tracing the changing investor mix, the "A-share-rization" and the self-imposed high trading costs of the Hong Kong bourse, and closing his piece with some question marks. At the section's end, Song Shuang provides a refresher by citing her recent involvement in a CFA Institute's ethics campaign, highlighting a crucial fiduciary aspect of money managers.

Section 5, the last section, addresses the in-trend alternatives that cover private assets, real estate, and ESG. In Chapter 5.1, Janet Li braces for the storm and appraises the need for diversification, dynamic asset allocations, and portfolio-based lifelong learning. Going into the specific asset class, Alvin Ho, in Chapter 5.2, dives into the 30-year deal havoc of private equity in Greater China, where he sees Hong Kong as a center of gravity for capital in the past and a turbocharged connector going forward. This is expanded further by Scott Peterman, who in Chapter 5.3 discusses the untapped limits of the VC funding model, the broadening use of public markets, and the numerical and real potential of wealth management in the Greater Bay Area. In Chapter 5.4, Victor Yeung and Patrick Ma, in a joint effort, provide a detour to the three crises through their unique REIT roadmap, commenting that as globalization has run its course, the search for new titans should have begun yesterday. In Chapter 5.5, Ace Liu plies his crisis management skills on high-yield bonds, an asset class suffering heavily from real estate retrenchment in mainland China. On a different note, Priyanka Sanchania, a strong advocate of ESG, dissects in Chapter 5.6 opportunities arising from moving the measurements and motors of ESG closer to everyday actors in order to see the bangs for the buck. Closing the section is Ming Liang who in Chapter 5.7 provides an optimistic assessment of Hong Kong's role in the internationalization of the RMB, a currency of growing importance.

The complementary nature of these articles highlights the contributors' quality and shared passions. At the same time, the diversity in opinions and backgrounds speak volumes for the Society as a melting pot. We learned immensely from reading all the drafts and enjoyed corresponding with and, at times, hunting down the contributors, whether they were in Edinburgh, L.A., London, or Seoul. I cannot express my gratitude enough to each of them for their excellent and voluntary work.

Acknowledgments

In preparation for the article, the author has benefited from the insights shared generously by Dr. Tsun Se Cheong, Prof Terence Chong, and Richard Mak, CFA. All mistakes and omissions are mine. Research assistance for the table is credited to the respective individuals as cited. We also commend the efforts of the Café De Coral team, who dug into their corporate archive for a taste, showing remarkable longevity. Last but not least, for the digital version of the insert pages, Christiaan Hart's portraits of trams artistically blend tranquility, velocity, and visibility, capturing the sunrises after storms. The Society thanks them for their contributions.

References

Chinese Publications (English Translation by the author)

Cheng, Wan-tai., and Wong, Siu-lun. *The History of Hong Kong Stock Market, 1841-1997*. 2007. Shanghai: Oriental Publishing Center. (鄭宏泰, 黃紹倫. 《香港股史1841-1997》. 2007. 上海：東方出版中心。)

Cheung, Anthony. *The Second Transition*. 2021. Hong Kong: Zhonghua Book Company. (張炳良. 《二次過渡》. 2021. 香港: 中華書局。)

Feng, Bangyan. *The Financial History of Hong Kong, 1841-2017*. 2017. Hong Kong: Sanlian Bookstore (Hong Kong) Co., Ltd. (馮邦彥.《香港金融史1841-2017》. 2017. 香港: 三聯書店 (香港)有限公司。)

Liu, He. *A Comparative Study of the Two Global Crises*. 2013. Beijing: China Economic Publishing House. (劉鶴主編.《兩次全球大危機的比較研究》. 2013. 北京：中國經濟出版社。)

Vogel, Ezra. translated by Chen Zhensheng. *The Enigma of the Rise of the Four Asian Dragons*. Beijing: China University of Political Science and Law Press. (傅高義, 陳振聲譯, 《亞洲四小龍騰飛之謎》. 1993. 北京: 中國政法大學出版社。)

English Publications

Baker, Scott R., Bloom, Nicholas., Davis, Steven J., Kost, Kyle., Sammon, Marco., & Viratyosin, Tasaneeya. July 2020. “The Unprecedented Stock Market Reaction to Covid-19.” *The Review of Asset Pricing Studies*. Oxford: Oxford University Press.

Chan, Norman. 11 September 2019. “Asian Financial Crisis: The Battle to Defend HK’s Financial Stability.” https://www.hkma.gov.hk/eng/news-and-media/insight/2019/09/20190911/

Haggard, S. 1990. *Pathways from the Periphery*. New York: Cornell University Press.

Jao, Y.C. 2001. *The Asian Financial Crisis and the Ordeal of Hong Kong*. London: Quorum Books.

Kay, John. 2015. *Other People’s Money: The Real Business of Finance*. Public Affairs.

Krugman, Paul., Obstfeld, Maurice., & Melitz, Marc J. 2018 *International Economics: Theory and Practice*. UK: Pearson.

Lau, Siu-Kai. 1983. “Social Change, Bureaucratic Rule, and Emergent Political Issues in Hong Kong.” World Politics, 35(4), 544–562.

Leung, Julia. 2015. *The Tides of Capital: How Asia Surmounted Financial Crisis and is Guiding World Recovery*. London: OMFIF Press.

Mishkin, Frederick. S. 2016. *The Economics of Money, Banking and Financial Markets*. 11th Edition. Essex: Pearson.

Napier, Russell. 2021. *The Asian Financial Crisis 1995–98: Birth of The Age of Debt*. Hampshire: Harriman House.

Office of Chief Executive, 2021. “The Chief Executive’s 2021 Policy Address.” https://www.policyaddress.gov.hk/2021/eng/p165.html

Wong, Y. C. Richard. 2017. *Fixing Inequality in Hong Kong*. Hong Kong: Hong Kong University Press.

Notes

1 Friedman produced a TV series in the 1980s and spent an entire episode on the free market of Hong Kong. His opening line was famous, “if you want to see how the free market really works, this is the place to come.”

2 In June 1995, Fortune announced the “Death of Hong Kong.” The Economist reported on 29 June 2022 that Hong Kong lost out in two of the magazine’s three “measures” of Asian financial centers. Two days later, on the city’s handover day, it postulated that Hong Kong is under “an anatomy of erasure.” It is so because, as it writes, the city is “seen ever less as an engine of growth.”

3 Such doctrine could be a source of confusion to the public and observers (including perhaps the Nobel Laureate?) that the colonial administrators might appear to actively refrain from intervening in the market. This is “lost in translation,” wrote Anthony Cheung, a professor who had once joined the government (Cheung, 2021, p. 110).

4 The size of the plastic flower maker, a young, listed company of just HKD 700 million, earned the deal such colorful acclaim as “snake swallowing elephant” by business historians. (Cheung and Wong, 2007, p. 368)

5 Historians count that there were five speculative attempts between 1984 and 1987, and many other regional and global financial crises had repercussions in Hong Kong before 1997 (Feng, 2017, p. 286).

6 However, as some contributors of this volume will write, the 1987 stock market crash presented the city with a major crisis for its still nascent bourse.

7 The word “first” is necessarily contextual to this publication only. There were many crises, financial or otherwise, that took place before 1997, such as those in 1967, 1973, and 1987.

8 The events in 2007-08 are also sometimes referred to as the Global Financial Tsunami. In this book, we adopt the more common contemporary usage.

9 The consequence of this dominance, Leung commented, is that it is “[a]ble to print as much money…that no other countries…could follow.” The “spillover effects of …QE2 and QE3…outweigh the benefits, as surging capital inflows [to the rest of the world] have…driven up debt levels…and their disruptive reversals may destabilize financial markets” (Leung, 2015, p. 13-24).