

China Personnel

Beijing Appoints New Top Securities Regulator

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What happened

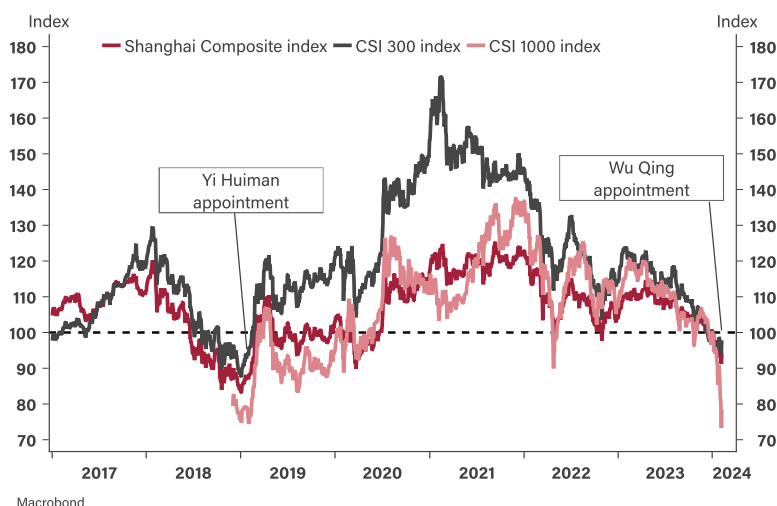
- On 7 February, the Party and the State Council announced the appointment of **Wu Qing**, incumbent Shanghai vice party secretary, as China Securities Regulatory Commission (CSRC) party secretary and chairman. Wu Qing succeeded **Yi Huiman**, who has served as China's top securities regulator since January 2019. As of the announcement, Yi's subsequent assignment remains undisclosed.

Analysis

- Wu Qing has long been considered a leading contender for the CSRC chairmanship, with speculation about his potential nomination circulating on Chinese social media since early 2022, even before the 20th Party Congress.
- The timing of Wu Qing's appointment at the CSRC signals Beijing's dissatisfaction with the recent performance of China's stock market.** It mirrors the circumstances surrounding Yi Huiman's appointment in January 2019, when market confidence plummeted amid escalating trade tensions with the US.

Timing of Wu's appointment mirrors that of Yi in 2019

Rebased to 2024/1/1=100



- Having spent the first half of his career within the CSRC and its forerunners, **Wu is known for his rigorous regulatory approach and crackdowns on illegal activities of securities firms.** This sets him apart from his predecessors, who typically hailed from financial or commercial banking backgrounds and focused more on development of the financial sector, rather than regulating it.

- **The appointment of Wu sends another signal that Beijing will continue its strong regulation over the financial sector.** To Beijing, the recent collapse of the stock market comes more from improper, sometimes illegal, operations of securities firms rather than fundamentals. After all, little has changed in the economy since the end of 2023, yet the CSI 1000 index, which comprises 1000 A-share listed small-cap firms and linked by various derivatives, has fallen by over 20%.
- A pivotal moment in Wu's career occurred in 2010, when he was drawn in a central-local cadre transfer program directly overseen by Xi Jinping, then Politburo Standing Committee member and Central Committee Secretariat first secretary, in charge of the Party's personnel affairs. This program, which aimed to invigorate local governance with skilled central government officials, advanced Wu's career. A total of 66 officials from central government, mostly in their early 40s, were sent to local governments to bring more resources to the localities. Over two thirds of the 66 officials have since been promoted to vice-ministerial level.
- From 2010-2016, Wu worked at Shanghai's Hongkou district, before his promotion to head Shanghai Stock Exchange. From 2018-2024, Wu worked across five vice-provincial jobs in Shanghai, ranging from vice mayor to vice party secretary.
- **Wu's Shanghai tenure shielded him from the recent anti-corruption drives in the financial sector while furnishing him with invaluable experience in local governance.** The latter is a key aspect of leadership profile valued by Xi Jinping for top economic and financial policymakers today.
- Wu's trajectory is not unique but reflects a broader pattern among China's financial regulatory leaders. Similar to Wu, inaugural director of National Administration for Financial Regulation Li Yunze also spent five years in Sichuan as vice governor and executive vice governor, while Central Financial Commission office executive deputy director Wang Jiang was Jiangsu vice governor before his return to the financial regulatory system.