

Transcript of remarks by SFST at media session

Sunday, November 9, 2008

Following is the transcript of remarks (English portion) by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session after attending a radio programme today (November 9):

Reporter: Is the Government going to increase taxes to beef up its fiscal position?

Secretary for Financial Services and the Treasury: I think increasing taxes is really not something we should consider at the moment. The priority should be about stabilising the economic demand. I think we should really restore confidence in Hong Kong. As Financial Secretary has mentioned, he is not about to increase the burden on the public. I think our priority is indeed trying to increase the aggregate demand in the economy.

Reporter: Is it reasonable for big companies to layoff staff at this moment?

Secretary for Financial Services and the Treasury: In times of difficulties, companies will have to make some adjustments to their operations and their business investment strategies. I think what we want to ask the businesses is to really consider the long term strategy even in times of difficulty, they should try to re-organise their resources in a way to minimise the impact on their staff. We feel that the long term future of companies and long term loyalty of their staff is very important to the future of the economy.

Reporter: What is the Government going to do to stimulate the economy and prevent further job losses?

Secretary for Financial Services and the Treasury: I think as I said earlier, the Government is doing this on different fronts. The Government is ensuring that there is a good supply of liquidity in the banking sector, so that there will be confidence in the bank lending. The Government is also helping small and medium enterprises (SMEs) by increasing some of the guarantees in those SME funds. We want to make sure that we can help SMEs in this difficult time. Also the Government is committing to speed up public works projects and infrastructure projects, so that we can maintain or even increase the aggregate demand for employment in the economy.

(Please also refer to the Chinese portion of the transcript)

Ends