

Press release

Transcript of remarks by SFST at media session

Saturday, November 1, 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 1):

Reporter: (What can the Government do to save money ?)

Secretary for Financial Services and the Treasury: Well, I think I should stress that it's not our objective to maintain an absolutely zero deficit budget. I think that's not our priority. I think it's very important for the Government to continue our commitment to the community and to investing for the long term. But there are other ways perhaps we can save money, perhaps in terms of keeping some of the operating expenditures within our control. But I think we should always save (resources) where we can and spend the money where is necessary to promote economic growth. And we try to maintain a very good balance between the two objectives.

Reporter: (On the minibonds issue, you mentioned that the level of penalty would take into account the results of mediation, are you threatening the banks to mediate with investors?)

Secretary for Financial Services and the Treasury: I think what we are describing is the mechanism for determining the level of penalty. I think this is also in accordance with international practices in terms of how this kind of investigations and the penalty will be carried out. So I think what we are doing is just restating the existing procedure.

Reporter: (Are you denying that you have not threatened the banks?)

Secretary for Financial Services and the Treasury: I have never used the word.

Reporter: (How successful you think you would secure votes to avoid the Legislative Council (Powers & Privileges) Ordinance from being invoked?)

Secretary for Financial Services and the Treasury: Well, as I have said, I fully respect the right and power of the Legislative Council to conduct the investigation and hearing on the minibond matters. When the hearing starts, the Government will co-operate fully. No doubt we will work very closely with the Legislative Council on this matter. I think we fully respect the Legislative Council's powers.

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