

## **Transcript of remarks by SFST at media session**

Saturday, April 10, 2010

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 this morning (April 10):

Reporter: (following up on a question about inflation asked by a Chinese media organisation) What impact will the issue have on Hong Kong's economy?

Secretary for Financial Services and the Treasury: I think it is a bit early to talk about that. In fact there are a lot of factors affecting Hong Kong's economy at the moment. We should make a point that Hong Kong's recovery has been going on and very strong, and that is why capital and money are coming in, and asset prices and stock market are doing well. We have to watch the signs of relative pace of recoveries in Asia, China and the rest of the world.

Reporter: Is there any example of trade in renminbi, especially loan in Hong Kong?

Secretary for Financial Services and the Treasury: We are seeing some loans and trade financing based in renminbi. What we are hoping to see is a stronger push under the Framework Agreement on Hong Kong/Guangdong Cooperation so that Guangdong companies could use these facilities. There is still some work remaining to be done. We have the platform and have seen examples in Hong Kong. We are hoping to see a cross-boundary loan.

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

Ends