

Transcript of SFST's remarks

Saturday, August 20, 2011

Following is a transcript of remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, at a media session after attending a radio programme today (August 20):

Reporter: (About impact of US recession and destabilisation of the Eurozone system on Hong Kong's economy)

Secretary for Financial Services and the Treasury: There are two issues here. One is about the lingering problems in the Eurozone concerning the sovereign debt problem. That would actually create a lot of volatility in the financial market in the first place. It might also cause some liquidity problems in European banks, something for us to watch. The other issue is about the possibility that there would be a slowdown in the US economy. Clearly this has been very much in the market mind over the last couple of weeks. If the US economy does indeed slow down, it clearly will affect the world's economic growth. For example, exports will be affected. The economic data is still very preliminary and, I must say, conflicting. We have to keep on monitoring the situation. We are monitoring the situation about exports, and also the liquidity problem in the banking sector generally in the world to see what kinds of responses we need to make. Clearly we are monitoring it and are prepared to take the necessary steps to help our industry.

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

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