

Transcript of SFST's remarks

Saturday, October 27, 2012

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 TV programme today (October 27):

Reporter: How much do you expect housing market would be cooled?

Secretary for Financial Services and the Treasury: There are many ways to measure the healthiness or the stability of the housing market. We use more than one indicator. As I explained, I think the health of the housing market is currently affected by a lot of exuberance about the macro economy, particularly the low interest rate environment, and also accelerated by the demand-supply imbalance that we see in the local market. With the two measures introduced, we try to address the demand part of the equation. We will look at all indicators to see whether we are restoring the stability of the market. Price is only one indicator. There are many other indicators.

Reporter: How about your expectation? How much do you think it will impact?

Secretary for Financial Services and the Treasury: It will be impactful.

Reporter: What about the secondhand market? Some people say that they have negative impact on the secondhand market...

Secretary for Financial Services and the Treasury: I don't think it is a correct analysis. The measure of introducing the Special Stamp Duty is to discourage speculators coming to the market and restore the health of the secondary market. We don't think it would decrease supply as some have alleged, or cause the price to go up. This is a nonsensical conclusion.

Reporter: What kind of progress ... MPF (Mandatory Provident Fund)?

Secretary for Financial Services and the Treasury: On the MPF, my position is very clear. MPF is a very important part of Hong Kong retirement protection system. It has a very clear public policy objective. We are requiring most Hong Kong people to participate in the MPF system. And the citizens of Hong Kong have a strong expectation in the performance of the MPF schemes. By that, I do not mean that one to

expect to make money per se. I think the MPF should fulfill the objective of the retirement protection system. We are looking at the long term costs of the system. We are looking to the MPFA (Mandatory Provident Fund Schemes Authority) to understand and see how we can lower the costs of the MPF products. I would also seek some consultation in the future to gauge people's views about how we can improve the fund products offered by the MPF schemes.

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

Ends