

Transcript of SFST's remarks

Friday, October 24, 2014

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 the 6th China Overseas Investment Fair in Beijing today (October 24):

Reporter: How will the "Occupy Central" affect Hong Kong's economy?

Secretary for Financial Services and the Treasury: Of course the "Occupy Central" movement has caused considerable disruption to the economy. Now if you count the actual drop in business, of course, that may be concentrated more on the areas affected by the occupation directly. But in terms of the potential drop in arrival of tourists, cancellations of convention and business meetings, as well as there could be a drop in the overall consumer sentiment, given the paralysis on the streets, these will actually affect the total economy. Of course, I am more concerned with the financial services as it is in my policy portfolio. I am very concerned that the overseas investors are questioning about the stability of the financial market, given what's going on in the streets. Particularly, they might question whether the respect for the rule of law will be made in Hong Kong. I don't want to overplay this worry, but indeed there are some investors who are asking these questions. Currently, it's not affecting the market per se but we should be really concerned if the situation does not improve and leads to more investors questioning the situation in Hong Kong.

Reporter: (About the launch date of Shanghai-Hong Kong Stock Connect)

Secretary for Financial Services and the Treasury: People are asking when will be the launch date (of the Shanghai-Hong Kong Stock Connect). As I said, I don't have a launch date to announce right now. The regulators on both sides, in both Hong Kong and the Mainland, they will review the situation and decide when will be the launch date. As we know, in terms of the preparation stage, Hong Kong as well as the Mainland financial markets' participants are nearing the completion of the preparation. But even when it is done, the two regulators would have to review the overall stage of readiness and decide when will be the date of launch.

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

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