

Transcript of remarks by SFST at media session

Saturday, January 23, 2016

Following is the 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 this morning (January 23):

Reporter: Professor Chan, why do you think Hong Kong's economy this year may not be so good and why are you still confident that there won't be another financial crisis?

Secretary for Financial Services and the Treasury: Our economy is, of course, under a lot of pressure. Firstly, the external economic growth is deteriorating, and the asset prices such as the stock market is also under pressure because of the global worries about economic growth. The equity market generally worldwide is under some pressure. When you combine the slow economic growth and worries about asset prices, it gives us a very difficult backdrop for economic growth. So Hong Kong will be under some pressure. But that's the economy. In terms of the financial conditions of Hong Kong, we have a very strong banking system and a very strong financial system. Our exchange rates mechanism is well understood and we have a lot of liquidity in the Hong Kong monetary system. Even if we have some pressure in the economy, I don't think that will necessarily translate into a financial condition that is conducive to some kind of contagion. I think we can separate the financial conditions and the economic conditions.

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

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