

Transcript of remarks by SFST at media session (with photos)

Monday, January 16, 2017

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 the Plenary Session of the 10th Asian Financial Forum this morning (January 16):

Reporter: Professor Chan, any views on the property market's overheating because we are seeing flat sales rising over the weekend again? Any room for cooling measures? Second question is, what are the risks to Hong Kong given that Trump is going to take presidency just days to go, because Hong Kong dollar is pegged to the US dollar? And third question, Paul Chan is proposed to take the Financial Secretary role, how would that affect your Budget preparation and basically what is going to happen with the transition if that does happen?

Secretary for Financial Services and the Treasury: The first question is about the housing market, the property market. We think the latest round of stamp duty increase has really introduced a period of cooling in the market as seen from the drop in the DSD (doubled ad valorem stamp duty) transactions, or huge drop in the DSD transactions. So we have been watching the number as it unfolds. But at this point in time, we believe that the latest round of stamp duty has done the job as we intended.

The number two question is about the risks coming from the Trump administration. All I can say is the market now is of course reacting to what the US administration will do or will not do, and that so far up to this point, the strengthening of the US dollar against other currencies has of course imposed some risks in many emerging economies. Hong Kong has done very well as you know, we have a very strong dollar peg, and we can really take a lot of capital flow without any problems. I believe Hong Kong will be resilient enough to tackle any kind of changes in the exchange rates or capital flows. The larger risk I think the market is worried about is the Trump policy on free trade as well as some of the regional and geo-political issues. I think those of course are something that would affect the world at large. We have to make sure that Hong Kong, you know, to practice free trade with all our trading partners, to increase our investment flow, and we will be vigilant in monitoring

our financial market.

Your last question is about the Budget preparation. I can assure you, I and my team have been very much on schedule. We have undertaken preparation of the Budget. Everything is according to our plan. I think we have a very strong belief that we can finish the task and incorporating many of the measures to be announced by the Chief Executive in his Policy Address and put into the Estimates, put into the Budget to be announced all in February. Thank you.

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

Ends



