

Press release

**Government announces new assignment for Working Group
on Long-Term Fiscal Planning**

Friday, July 4, 2014

The Government announced today (July 4) an extension to the appointment of the Working Group on Long-Term Fiscal Planning to enable it to make further recommendations to the Financial Secretary as follow-up to the Working Group Report published in March 2014.

The Working Group Report offered the first comprehensive fiscal sustainability appraisal of Hong Kong's public finances since 1997-98. It analyses the impact of ageing on public finances and proposes that urgent steps be taken to promote economic growth, avoid government expenditure growing at a pace exceeding that of the Gross Domestic Product over a period of time, stabilise and preserve the revenue base, develop a savings scheme, etc, lest a structural deficit surface.

The Financial Secretary has invited the Working Group to:

- (a) explore and propose options for a savings scheme (the "Future Fund") for Hong Kong;
- (b) advise on how the Government can step up the management of its assets;
and
- (c) advise on how the key findings and recommendations of the Working Group may be relayed to the community in a sustained and effective manner.

The Working Group will reconvene in July and seeks to report to the Financial Secretary around the end of 2014.

A government spokesman said, "We are grateful to the non-official members for their kind agreement to continue serving on the Working Group. We will continue to count on their professional support."

Convened by the Permanent Secretary for Financial Services and the Treasury (Treasury), Ms Elizabeth Tse, the Working Group comprises five non-official members, namely Professor Liu Pak-wai (Research Professor,

Institute of Global Economics and Finance, the Chinese University of Hong Kong), Professor Francis Lui (Professor of Economics and Director of the Center for Economic Development, the Hong Kong University of Science and Technology), Mr Mark Saunders (Group Chief Strategy and Corporate Development Officer, AIA Group Limited), Mrs Jennifer Wong (Former Partner, KPMG) and Mr Marcellus Wong (Senior Adviser, PricewaterhouseCoopers) and three ex officio members, namely the Director of Accounting Services, Mr Martin Siu; the Government Economist, Mrs Helen Chan; and the Deputy Secretary for Financial Services and the Treasury (Treasury)¹, Ms Esther Leung.

The Report of the Working Group published in March 2014 can be downloaded from the homepage of the Treasury Branch of the Financial Services and the Treasury Bureau (www.fstb.gov.hk/tb/en/).

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