

**Transcript of remarks at press conference on demand-side management measures
(with video)**

Friday, February 22, 2013

Following is the transcript of remarks at the question-and-answer session of the press conference on demand-side management measures held in the Auditorium, Central Government Offices, Tamar, today (February 22). Attending the press conference were the Financial Secretary, Mr John C Tsang; the Secretary for Financial Services and the Treasury, Professor K C Chan; the Secretary for Transport and Housing, Professor Anthony Cheung Bing-leung; the Commissioner of Inland Revenue, Mr Chu Yam-yuen; and the Government Economist, Mrs Helen Chan.

Reporter: Mr Secretary, can you explain first your rationale about why do you want to exempt certain groups of people, let's say, first-time homeowners or people who only want to own one home. That's the first question. Secondly, it's not the first time that you've rolled out measures, it's probably your third or fourth time. Why do you think this time around the measures will be more effective than the previous ones? And thirdly, the timing. Why are you rolling out the measures now, as opposed to, let's say, in your Budget or anytime around. Do you think it's too late now that you are rolling out the measures? Thank you.

Financial Secretary: I don't know if I can remember all your questions because there were pretty long questions and quite a number of them. We are exempting Hong Kong PRs (permanent residents) because we think that the market is very exuberant right now. We want people to really want to step back, think about what they're doing before they go into the market. But we also recognise that there may be certain people who don't have a flat now and who may wish to have a flat, these are the Hong Kong permanent residents, we want to give them a choice. We'll give them a choice, let them think about it. If they really think they want to buy something, they should have the choice to do that. That's why we have exempted this group of people, OK?

Why now? Because we see that the market risk has continued to increase and we would like to do something to prevent it from getting worse. And what was the third question?

Reporter: Why do you think this time around the measures will be more effective?

Financial Secretary: As I explained before, I don't have the silver bullet that could deal with the housing problem in one shot, so we are doing it in an incremental manner. We

have done a number of management measures while we are increasing the supply of flats in the market. And we'll just continue to do that, and if we were required to do more I will not hesitate to add more measures to make it effective.

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

Ends