

Acting FS responds to “The Chief Executive’s 2019 Policy Address”

The Acting Financial Secretary, Mr James Lau, today (October 16) responded to "The Chief Executive's 2019 Policy Address" as follows:

"The Chief Executive has just unveiled her third Policy Address and put forward over 220 new initiatives covering a range of community concerns. The focus on housing and land supply, improvement of people's livelihood and economic development underlines the Government's determination to bring benefits to our economy and people, especially at a time when Hong Kong is facing difficulties of an unprecedented degree.

The Financial Secretary will provide full financial support to facilitate early implementation of these new initiatives. As the Chief Executive mentioned, the Government will ensure the stability of our public finances and, in line with the Basic Law's requirement, we will strive to keep our expenditure within the limits of revenues and avoid fiscal deficits. We will give effect to the new fiscal philosophy and use our accumulated surpluses wisely for the community.

The HKSAR Government has been monitoring closely the external political and economic environment as well as the state of the local economy. We have continually reminded our people that Hong Kong's economy is slowing down and risks entering a technical recession. With a view to supporting enterprises, safeguarding jobs and relieving people's financial burden, the Financial Secretary already rolled out support measures in August and September, amounting to over \$19.1 billion. Many of these measures cannot be implemented without funding approval from the Legislative Council, including paying one month's rent for tenants living in public rental units, providing an extra allowance to recipients of social security or various subsidies, and making enhancements to funds that support small and medium enterprises.

For the next Legislative Council meeting, we will resume the second reading of a bill which seeks to implement the enhanced tax concessions for salaries tax, tax under personal assessment and profits tax for the Year of Assessment 2018/19. After passage of the bill, the Inland Revenue Department will issue tax demand notes reflecting the reductions concerned.

Moreover, there is a significant backlog of funding applications for works projects from the last legislative session, including 28 projects already endorsed by the Public Works Sub-committee and awaiting approval by the Finance Committee. These projects amount to over \$70 billion and involve about 14 000 jobs, many of which are livelihood-related such as building hospitals, community centres, libraries and implementing drainage improvements. Delays in the funding approval mean less work for the construction industry and will directly affect the earnings of the workers.

In recent days, chaos has been seen in the meetings of the Finance

Committee, House Committee and the full Council, of which the public disapproves. I sincerely call on our Legislative Councillors to embrace rational discussions rather than dissension. We should together serve the people of Hong Kong and address their pressing needs by ensuring passage of the upcoming bills and funding applications for the greater good of the community at large.

The theme for this year's Policy Address is 'Treasure Hong Kong: Our Home'. I cannot agree more with what the Chief Executive said in her closing remarks – that so long as Hong Kong remains impeded by unresolved disputes, ongoing violence, confrontation and discord, our city cannot embark on the road to reconciliation and people will lose faith in the future. We have to put aside differences and stop attacking each other, so that we could set sail again based on the values upheld by all."