

Convenor of ExCo Non-official Members speaks on Budget

â€‹The following is issued on behalf of the Executive Council Secretariat:

Following is the transcript of remarks by the Convenor of the Non-official Members of the Executive Council (ExCo), Mrs Regina Ip, at a media session on the 2024-25 Budget in the Legislative Council Complex this afternoon (February 28):

Reporter: Mrs Ip, how do you see this year's Budget? Thank you.

Convenor of ExCo Non-official Members: The theme of this year's Budget is to be confident about our future, to grasp the opportunities and to promote high-quality development. So, the Financial Secretary stressed the importance of promoting green economy and digital economy, and promoting the Hong Kong brand, and he will be providing more than \$1 billion to organise mega events in Hong Kong to attract more visitors to Hong Kong and to promote the appeal of Hong Kong as a global city.

We were pleased to note that the Financial Secretary has announced scrapping all the demand management property transaction stamp duties and that he will be relaxing the measures to control provision of mortgages, while at the same time maintaining the stability of the banking sector.

We are also appreciative of the plan the Financial Secretary unveiled that he will put forward a plan to control government expenditure, especially items that are going at a super-fast level, and will implement certain tax reform to impose a higher tax rate for those earning more than \$5 million per year and to impose a progressive rating system on properties.

On the whole, we consider this to be a highly comprehensive and prudent financial budget that will help Hong Kong return to growth and keep public expenditure under control.

Reporter: With the full removal of property curbs, are you perhaps concerned that this could not address the economic slump that the city is facing and perhaps would it lead to a revival of the rampant property speculation seen before? The second question, following up on Article 23, are you worried that the legislation of Article 23 will undo any potential benefits that this new Budget would bring to Hong Kong?

Convenor of ExCo Non-official Members: The stamp duties which have been in place since 2010 were introduced as demand management measures to curb speculation and excessive demand. Now the demand is much weaker whereas land and housing supply has increased substantially, as the Financial Secretary described, pointed out to us just a while ago. So, I think the removal of those stamp duties will provide a boost to the property market, will help

property transactions. After all, Hong Kong people's saving level is high. I think there will be plenty of Hong Kong people ready to take advantage of the market downturn to buy, to purchase properties for their own use.

As for your second question, I don't think implementing legislation to implement Article 23 of the Basic Law will have any adverse impact on the economic stimulus proposals outlined in the Budget. In fact, the sooner we get it done, the clearer will be the provisions in the national security legislation and it, in fact, will help our economic recovery.

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