

Remarks by CE at media session before ExCo (with video)

Following are the remarks by the Chief Executive, Mr John Lee, at a media session before the Executive Council meeting today (September 17):

Reporter: Good morning, Mr Lee, two questions. First, the US House passed a bill to shut down Hong Kong's ETOs. What countermeasures that Hong Kong could have to defend its own interest? And second, the Government has paused the imports of construction workers. What are the issues that the Government wants to resolve, and how likely the overall importation scheme will be reviewed? Thank you.

Chief Executive: I strongly condemn the US House of Representatives for making use of the so-called Hong Kong Economic and Trade Office Certification Act to slander the Hong Kong laws on safeguarding national security and also smear the human rights situation in Hong Kong. These are political tactics to suppress the development of China and also Hong Kong. These are shameless and ugly political tactics, especially since the United Nations (should be United States) itself has the most stringent and wide-ranging national security laws and is using them to attack its competitors, particularly when it fails to compete well. On multiple occasions, it uses national security to target competitors, especially China and Hong Kong.

Other than allowing the politicians to make their own political gains, these acts will damage the normal trade relations, particularly the trade relations between Hong Kong and the US. The figures for the past 10 years indicate the US has been making a big profit out of trade with Hong Kong – US\$271.5 billion with Hong Kong over 10 years. This trade surplus works to their advantage, and with any acts to damage trade relations, I think those who suffer will be the US business sector. They will be the ones to foot the bill. Although politicians may make their own political gains, that is at the expense of normal businesses. In fact, a lot of overseas companies have been setting up businesses in Hong Kong. This includes the US as well. More than 1 200 US companies have set up offices in Hong Kong. In the first seven months of this year, Invest Hong Kong has assisted over 350 non-local companies in setting up or expanding their businesses in the city. This is a substantial increase compared with last year, a 40 per cent increase year-on-year, and among them, the US ranked number three. If the US is determined to go its way, then our country has already indicated that we will retaliate, and we will retaliate with strong and resolute measures.

On your second question, the Government policy on imported labour is very clear. First of all, local employment takes precedence. Second, local wages must be protected, so for all imported labour, the salary or the wages they get cannot be lower than the median income (median wages of relevant posts in Hong Kong). Also, we focus on training local workers. That is why for each imported worker, the employer has to pay \$400 a month for training

fees, and that will benefit local workers. Also, under the Enhanced Supplementary Labour Scheme, the employer has to do four weeks of recruitment advertisement. The Labour Department supervises and will ensure that all the requirements that are necessary will have to be fulfilled to the satisfaction of the department, so as to protect the integrity of the system. The overall unemployment rate in Hong Kong is about 3 per cent. According to a lot of statisticians, that almost has a meaning that there is full employment here. Plus the fact that we do have an ageing population and that the labour force is getting old, we have to balance between protection of local labour and ensuring that we have enough workers to support our economic development, as well as the running of businesses such as restaurants and shops.

We will do the approval very stringently and carefully. For example, in the last exercise when the construction workers' employers tried to apply for approval, no approval was given, because it was assessed that, first of all, some of the construction sites actually will not start yet, while in the long run, they will be up and running. Also, some of the labour, for example, the plasterers, can be released because some work has finished. That's why there's no need for immediate importation. There will be a stringent vetting and approval process. In fact, some associations, for example, the Hong Kong Construction Association, and the Hong Kong Federation of Restaurants & Related Trades, have indicated they are still short of labour. For example, for restaurants and related trades, they have said that they are still short of something like 20 to 30 per cent of workers. The Government will ensure that all the applications really satisfy the conditions that we have laid down. We will also ensure that there will be a tight and proper approval system. Where we don't think it is appropriate, we will reject.

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