

SDEV speaks to the media

Following is the transcript of remarks at a media session by the Secretary for Development, Mr Michael Wong, after attending a radio programme this morning (March 3):

Reporter: Secretary, you said that you are confident that the Government has enough money to fund the Lantau Tomorrow Vision project. Could you talk about the options the Government is exploring and considering to finance this massive project? My second question is also on the property prices. It seems that there isn't really a lot for the Government to do in the short term, aside from the stamp duty and all these cooling measures, there isn't really a lot for the Government to do from the supply side. Could you talk about that?

Secretary for Development: Your second question first. It's true that in the very short term, there isn't any magic wand that we can simply wave and then resolve the land shortage problem. For the short to medium term, if you take a slightly longer time frame, then there are a lot of initiatives that we are pursuing. The Land Sharing Scheme that we will be putting up in the few months' time is one example. The intensification efforts in terms of town planning or zoning is another one. For the very short term, I think what the Government has been doing is, in addition to the demand management measures, there are also measures that the housing side is pursuing in terms of freeing up, for example, public rental housing under certain criteria so that they can be rented out to other people, so long as relevant criteria are met. The Housing Society, and in a slower time, the Housing Authority are thinking about the possibilities in those regards.

Your first question. The short answer is yes. We are confident that we would be able to afford the Lantau Tomorrow Vision financially. If you look at public spending, every year the amount of resources that we are devoting to public works exceeds \$100 billion. If you look at a large-scale project like the reclamation of Kau Yi Chau, it will take some 15 to 20 years, and if you divide it up, then you know that we will be able to afford it on the year-to-year basis. In addition to that, of course there is land revenue to be gained from the land we reclaimed. If you look at the forecast, and relatively conservative figures, by the Hong Kong Institute of Surveyors, then we are talking about a possible income of some \$900 billion to over \$1,100 billion. Simply by looking at the figures, you know that the possibilities are there.

Your other question is related to the options for funding initiatives. Yes, we will be looking into different possibilities. Some time ago, during a radio phone-in programme, one of the callers suggested that, maybe she is confident that the Lantau Tomorrow Vision would bring financial benefit, so she asked the Financial Secretary whether it would be possible for the Government to issue bonds, not because of the inability on the part of the Government to afford the programme, but to allow the public to share in the

profit and benefits of the project. I think the Financial Secretary said yes, that's something we would look into as well. So nothing is fixed but we will look into different possibilities and options.

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