

SDEV speaks to the media

Following is the transcript of remarks at a media session by the Secretary for Development, Mr Michael Wong, after the Legislative Council meeting this morning (March 20):

Reporter: How do you respond to criticism that you are misleading public by making the estimate of \$624 billion not using MOD (money-of-the-day) and not calculating interest rates?

Secretary for Development: The figures are open for everyone to see. Actually, as I said over radio interviews this morning, if I tell you something is worth \$10,000 after 10 years, it may not mean much. But if I say, it equates to \$3,000 now, then it means something. That's what we do. For the MOD (money-of-the-day), if you listen to some of the experts yesterday, before we have a detailed payment schedule, it is actually impossible to work out the MOD figures. Another point, which is also important, is that basically we are looking at future inflation. If you look at inflation, it would not just affect cost and expenditure, it would also affect revenue and income. If our past experience is of any guide, actually the increase in the value of land in the past is usually quicker than the rise in inflation. But if we assume both are the same, our conclusion is still true. Our conclusion is that the cost arising from the 1 000-hectares reclamation of Kau Yi Chau and the related transport infrastructure projects would not deplete our public coffers. And my last point is this, if you look at our public expenditure and our ability to pay, this year, if you look at the Budget, our total public expenditure already exceeds \$600 billion. In a few years' time, it will reach \$800 billion. So if you look at our ability to pay for public infrastructure, it's also increasing. So, we think it is very meaningful to talk about issues in real terms.

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