

# Transcript of CE's press conference on "The Chief Executive's 2019 Policy Address" (with photos/video)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at the press conference on "The Chief Executive's 2019 Policy Address" at Central Government Offices, Tamar, on October 16:

Reporter: How can you hope to heal the divisions in this society if your Policy Address contains nothing to address the central issue driving the protests, the desire for democratic reform and the concern that Hong Kong's freedoms are being eroded under Chinese rule?

Chief Executive: First of all, John, every year's Policy Address is an occasion for the Chief Executive to lay out for the people of Hong Kong the various initiatives and targets in the coming year, covering a wide range of subjects. I have admitted in my opening remarks that this single Policy Address could not address or resolve the problems in society, especially those reflected in the social unrest. You have mentioned two of these sources. One is democracy, the other is erosion. I do not agree or submit to the view that Hong Kong's rights and liberties and freedoms have been eroded in whatsoever way. Hong Kong is still a very free society. We have freedom of speech, freedom of journalism and so on.

As far as democracy, this is an extremely complicated subject in which we have to fulfil the constitutional requirements. For a Policy Address to totally ignore those constitutional requirements and undertake to provide certain forms of universal suffrage for the people of Hong Kong is not a responsible act, particularly for someone like myself who five years ago has undertaken a full 20-month exercise aiming to give universal suffrage in the selection of the Chief Executive to the people of Hong Kong. But that very reasonable and constitutionally proper package has been voted down by the same group of members who are now seeking another round of discussions or debate on the constitutional reforms. So, yes, this Policy Address may not have all those political solutions, but I did offer, especially when the situation calms down a bit, that through dialogue, very sincere and open dialogue with various sectors in society, and also through the setting up of a committee to visit or to revisit the various underlying issues and tensions and conflicts in society, to come up with a way forward on where we are going. And I suppose any committee comprising community leaders, academia and experts in this field will have more to say on how we can take forward some of the issues that have caused anxiety in society in recent months. Thank you very much.

Reporter: Mrs Lam, the first question – you said you hoped that Hong Kong can return to normal and put a stop to violence. But even the DAB (Democratic Alliance for the Betterment and Progress of Hong Kong) just now was

criticizing you for not having concrete plans on how to stop the protests. As the Ming Pao reporter told you just now, the support for the five demands of the protests are getting even stronger according to the polls, and that nearly three-quarters of the respondents want you to step down. So by not agreeing to the protesters' demands, do you think that you are the one stopping Hong Kong from returning to normal, or do you think turning a deaf ear to the protesters actually helping to solve the problem? My second question is on the mortgage rules. By relaxing them, but not immediately having more supply, there are people who have been quickly saying online or otherwise that property prices will definitely go up. So is this proposal really helping people to buy a flat? Or is it an attempt to assure developers that the prices will not be plunging right away? Thank you.

Chief Executive: First of all, it is everybody's wish that Hong Kong could come out of this crisis and return to normal as soon as possible because damage done to Hong Kong is now already very severe and nobody wants to see the continuation of the current situation. But to achieve that, we must not, and I emphasise, we must not, give up or deviate from the very fundamental principles that get Hong Kong going, and I spent a few minutes in my Policy Address speech to lay out those important principles. One is to uphold "One Country, Two Systems". Secondly is to uphold the rule of law and thirdly is to uphold Hong Kong's institutional strengths. If you will remember, of the five demands, the demand for amnesty is totally against the rule of law in Hong Kong, and is actually illegal as far as the Chief Executive is concerned because I have no power to interfere with the prosecution as well as the judicial proceedings in the courts. To demand the Chief Executive to do something that is illegal, unlawful and deviates from the important principle of rule of law is something that I am afraid that I could not concede. The second thing is, when one of the demands was universal suffrage, I have answered John's question that this is governed by constitutional principles that is under "One Country, Two Systems" and provisions in the Basic Law. Again, we could not deviate or breach this important constitutional principle by accepting this particular demand.

Reporter: ...Sally Aw was not prosecuted by Elsie Leung when she was the DoJ. How is that illegal?

Chief Executive: It is illegal as far as the Chief Executive is concerned because under the Basic Law, the only person or the only department who could make a decision on prosecution is the Department of Justice. You are putting me as a subject to agree to those demands and that's what I am sharing with you, and I have to say that actually many people will not condone the granting of amnesty by the Hong Kong SAR Government, whether it is by the Department of Justice or any other authority that has the jurisdiction to do that. But of course as I said under the Basic Law the only authority rests with the Department of Justice.

As far as the question on the mortgage insurance, I have quoted in answering to another question the press release just issued by the Hong Kong Mortgage Corporation Insurance Limited. The initiative attempts to help those first-time home buyers who have enough income to support a property, to repay

the mortgage loan, but they don't have enough money to pay for the first lump sum because the mortgage amount provided by the banks is relatively low, and as far as the mortgage insurance is concerned, which provides 90 per cent, the value of a property is capped at \$4 million. We have heard a lot of grievances from professionals who are caught in that sort of situation. As a result, they have no alternative to buy a flat except turning to the first-hand market where the developer provides a second mortgage. The objective of this relaxation is to enable this group of people who need to buy for their self-use. It has to be a first-time home buyer, it is for their own use. Then they have this choice to get a higher level of loan through the insurance so that they could buy for their own use. I don't feel that this is pressurizing people to buy in a dropping market and hence they will be caught in a difficult financial situation. At the end of the day, buying a flat, buying a property in Hong Kong, is a pretty important decision. I am sure everyone will assess their own financial situation and come to a view. The Government's role is really to provide choices, to provide facilitation, so that they will have a better opportunity to exercise their decision to get themselves a home in a particular sort of situation.

Reporter: In months leading up to your Policy Address, you have only spoken to members of the public once during the dialogue session. And after leaving LegCo this morning, the pan-dems accused of you of working like a government in exile. So, what are your views on that, on both the comments by pan-dems and the communication opportunities with the public? And can we assume this will be the new norm that you will simply shun the opposition camp and the public in your future policymaking? Thank you.

Chief Executive: Not at all. As I have mentioned on September 4 when I mentioned about the four actions, we are very committed to engaging different sectors in society, but the dialogue that we are establishing takes various forms. One form is the open district-based dialogue, televised and so on. The other will be more in-depth, intense dialogue, closed-door, with a smaller number of participants. And for that particular type of dialogue, I had attended at least four times – each time lasted for two to three hours. So, dialogue takes many forms. The third is, if I may announce here, tomorrow I will have a Facebook Live to communicate directly with netizens who want to ask me questions on the Policy Address or other issues.

Looking ahead, I, myself, and my Principal Officials will double our efforts in engaging members of the public through various types of dialogue. You have to understand we are now living in a rather distressful situation and many of those people who want to talk to us don't want to be seen to be talking to us because that may arouse some resistance from some of their peers or it may attract some of those black-clad protesters to the venue. So if some of these communication sessions were behind closed door, I hope you understand it is often not our unilateral wish; it is to respect the participants in those dialogues. Certainly communicating more with the people will be an important feature of my governance in the remaining of my term, because I've just emphasised how I have reflected on the way I did my public service over the last three to four decades and how I felt it is so very important to listen more attentively to the people and then construct our own

policies accordingly.

Reporter: Mrs Lam, you say you are determined to break through the old mindset to resume more land for public housing, but some critics are sceptical. They say there is a lot of agricultural land still being held by developers that the Government is unaware of, held in complex webs of shell companies to conceal their ownership. These critics say you could resume a lot more land than you have announced so far and that the Government is still likely to collude with the developers. What's your response to this? Second question: it is noted that in the last Community Dialogue you mentioned autonomy is not "One Country, Two Systems" and you didn't mention high degree of autonomy in the long paragraph regarding the "One Country, Two Systems" in this Policy Address. Is a high degree of autonomy as promised by the Basic Law remains one of the governance principles of the Hong Kong Government? What's your response to this? Thank you.

Chief Executive: If I may just respond to your second question first, when I said in my Policy Address that one of the most important principles that we should uphold, whether in dealing with this crisis or in future governance, is "One Country, Two Systems". Of course it also embraces high degree of autonomy and Hong Kong people administering Hong Kong. I realise the sensitivity towards omission of certain phrases, and that's why in responding to one of the questions just now I repeated that it is "One Country, Two Systems", high degree of autonomy and Hong Kong people administering Hong Kong, so there should be no worry or suspicion about the importance of this high degree of autonomy. But it doesn't mean that it is absolute to the extent that Hong Kong people could decide on Hong Kong's future.

About the first question, if you look at the figures, especially figures that have been rehearsed in the land supply task force last year, when it mentioned about brownfield sites, actually they were talking only about maybe 110 to 220 hectares of brownfield sites, which the task force said that we should find ways to develop, maybe resume or otherwise, in the next 10 to 30 years. Compared to what I just mentioned, following a survey and a study on the brownfield sites, we have identified 450 hectares of mostly privately owned brownfield sites that have potential, and the first stage of further study to see whether they are suitable for public housing comprises 160 hectares. That is a good size of the brownfield sites to be resumed by the Government for public housing. Of course, we could go further if we have the means to complete the necessary planning. Someone has asked me that previously we were very concerned about judicial challenges by going into private land to resume. One of the safeguards or prerequisites that we have to achieve before using this Lands Resumption Ordinance is to have planning. We cannot just be very interested in a piece of agricultural land that we feel it may be good for our use in future and then we go in to resume. That would not meet the requirement under the law for a public purpose. We have to demonstrate that following a process, and I hope it's expedited process of town planning, that we have confirmed the use of that piece of land for public housing plus other ancillary facilities like schools and community centres and so on. It's more important to look at the approach as well as identify the scale that I have just mentioned in my Policy Address.

There should be no worry about collusion, because this is Government exercising the power to resume. Some people may have some worry about the land sharing scheme. The land sharing scheme is more a sort of public-private participation, so the Government will co-operate with the private sector to develop the privately owned land, but the Government needs to share no less than 70 per cent of the extra gross floor area created by that private land through some form of government facilitation, for example put in widened roads or infrastructure so that the plot ratio could be significantly increased from a very low level to a higher level. In order to overcome any concerns of that sort, I have suggested, in fact the Development Bureau will come up with more details later on, that we will have a mechanism. We will invite a group of people to form an advisory panel to look at each and every of the case, and then even if this panel agrees the case will go to Chief Executive in Council and then go through the town planning process, which is a very transparent process, so everybody could look at that particular case and the Government's deliberations on that case. Secondly is we have also put in a time limit, so this land sharing scheme is available for only three years. And we put in a cap – we are only willing to do as a pilot 150 hectares. That would perhaps speed up the whole process and whoever is ready to come forward – present a plan so we can have more housing being built from this particular strategy of land sharing scheme. Thank you very much.

Reporter: I have three questions for you. No. 1, your only message in the protests seems to be to stop the violence and then you move on to housing and underprivileged and business people. In the past few months a lot of young people have been protesting on the streets, but your Policy Address doesn't have a chapter on young people at all, so what's your message for young people? What about their parents and what about the people who lost their jobs because lots of restaurants and businesses closed down? No. 2, with you leaving the LegCo this morning when lawmakers are chanting people's demands, does it really show that you have lost the ability or even the political legitimacy to continue to govern Hong Kong? And No. 3, I have a follow-up on the Hong Kong Human Rights and Democracy Act because this morning the Beijing government strongly condemned the passage of the Act but your Government only expressed regret. So is this kind of like a gap in disappointment or does it show that the Government you are leading is really a lame duck government in retreat mode? Thank you.

Chief Executive: First of all, as I have said, this year's Policy Address, as far as the text is concerned, is a more focused version. If you look at the so-called chapters apart from the Foreword and the Conclusion, there are only four chapters covering housing, land supply, livelihood issues and economic development. I don't have a chapter on elderly, I don't have a chapter on medical services as in previous years. The reason being we have produced at the same time a Policy Address Supplement and if you go to the Supplement, it does have a full coverage of all the policy areas, including a dedicated chapter on young people. I think it is towards the end. We continue and I continue to attach a lot of importance to young people. We will not only continue these initiatives to support our young people in terms of education, in terms of employment, entrepreneurship. We will continue to find more

projects to build youth hostels to meet their temporary housing needs. We will also provide more opportunities for their participation in policy making or even for joining the Government to understand how government operates. All this work will continue. And on top of that some of the measures to support young people could be found in the chapters on Education because university undergraduates and also graduates, they are covered under the Education chapter.

As far as helping people who may be out of a job or unemployed or under-employed in the economic downturn, the Financial Secretary has already rolled out two packages in August and September. The first package has a price tag of \$19.1 billion to help a range of people and also provide various initiatives. The second package concentrated on SMEs. I can tell you that the Financial Secretary is drawing up a third package, hopefully to be released later this month. The situation keeps on evolving so whenever the Government notices that there are certain things we should do because of the economic downturn, I can promise you that we will do it. We are not waiting, the Financial Secretary has not waited for my Policy Address and he is not waiting for his Budget Speech next February, we will continue to do those measures.

The second question is about political legitimacy and my ability to govern. Of course, I understand that as a result of these four months of social unrest, many people are very unhappy with the situation and even with the Government because we could not promise them when things will go back to normal, and for some of those we could not promise them the things that they want us to do. But that doesn't mean that we have no will to continue to govern. The will and the determination to govern is still there. That's why despite the pressure and the time constraint in the last few months, my colleagues have pulled together a very substantive Policy Address and Policy Address Supplement with over 220 initiatives, and we will put our minds together to implement all these initiatives. I will continue to accord importance to relationship with Legislative Council members across the political spectrum, but this is not something that I could do unilaterally. For example, I understand that the Chief Secretary for Administration has tried to engage the non-pro-establishment members to sit down to talk about the prioritisation of the funding proposals so that we could do what I used to do last year – that is, let's deal with the easier items (the easier items) in the Finance Committee and put back the difficult items. Apparently they did not want to talk, so this is not something that I could control but we will continue to attach importance to.

Now, of course, Hong Kong under "One Country, Two Systems," we have our own system, we have our own way of commenting and responding to issues, so I would suggest that there is no need for you to draw a comparison between how we say something and how the Central Government says something, because we are different. But the same frustration and disappointment and regret exist in either the Hong Kong SAR Government or the Central People's Government because this Hong Kong Human Rights and Democracy Act is totally unjustified and unwarranted. It will hurt not only the Hong Kong business; it will hurt American interests in Hong Kong. They have 1,400 companies, 85,000 citizens

in Hong Kong who have taken Hong Kong as a home. They work here, they invest here, so to have that sort of Act creating a lot of uncertainties will also damage the business confidence and, in turn, the business prospects in Hong Kong.

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

