

Transcript of remarks by CE at media session before ExCo (with video)

Following is the transcript of remarks by the Chief Executive, Mr John Lee, at a media session before the Executive Council meeting today (November 14):

Reporter: Good morning, Mr Lee. I would like to first follow up on the APEC (Asia-Pacific Economic Cooperation) summit. What are your expectations for Financial Secretary Paul Chan? What are the goals that Hong Kong is hoping to achieve during the APEC summit? Second, I would like to follow up on the property market as well. We have seen that the Government has partially eased property cooling measures, but we also have seen in land sales recently that the results have not been too satisfactory. What do you make of that? Is there room to further adjust property measures as well? Thank you.

Chief Executive: I think the Financial Secretary has said, either before or during his visit to the US for the APEC meeting, that he will be introducing Hong Kong's strengths, attractions, business opportunities and potential to people whom he comes across in the APEC meeting in the US, and he will also be expanding the circle of friends. We emphasise, of course, free trade, collaboration and co-operation, particularly regional co-operation. This is something that we have been advocating and trying to promote. The Financial Secretary will of course do that seriously. I have already seen that he has been meeting counterparts from different economies, obviously expanding the circle of friends and introducing Hong Kong's attractions and potential to his counterparts. I am sure that he will do a good job in that regard. He will be making speeches during the APEC meeting, as I did in the last meeting I had in Thailand. He will be telling Hong Kong stories, true stories, to tell the world how Hong Kong can contribute its strengths, how Hong Kong is a good market for people to come, to invest, and to set up their companies, and also Hong Kong's strength as the conduit between Mainland cities and the world. This unique strength of Hong Kong under the "one country, two systems" principle will be explained fully, and Hong Kong's uniqueness under "one country, two systems" as the only city that practises the common law system, which will help investors, particularly those who have been investing in the key international financial markets which usually also operate on common law systems, to appreciate the certainty and the rules and regulations that are being practised in common law jurisdictions. All these strengths will be made clear and well-known to people that our delegation will meet.

As regards property markets, I announced some changes to the measures that we introduced to control speculation. Since the measures were announced, which was just a month ago, I have seen and learned from the news that there have been more enquiries made by interested buyers, particularly those who are regarded as talents, who have come to Hong Kong under our various talent attraction schemes. Obviously, the market and buyers will take time to observe the situation and make the decision, because buying a property is, after all, a major decision for a normal family. It is natural that people

will take time to make that decision. The Government will of course continue to monitor the market situation. I also understand that the property market is facing challenges in Hong Kong in the same way as many economies are facing, which is a high interest rate situation, which may last quite a while, so it is important for people to make a decision based on their own abilities and their own financial circumstances. Of course, when the interest rate is at a rate of almost 5 per cent for deposits, then investment opportunities will be careful, particularly when the 5 per cent interest rate is an almost risk-free return on money with deposits. There are various factors affecting decisions to make by any individuals to buy properties or not.

We have been, of course, acquiring land so that we will have sufficient land to put out to the market when we think it is the right time to do so. We will continue to monitor the market to decide when will be the right time to do that. I think it is only natural for people to watch the situation after the new measures have been announced, which was only one month ago. The Government's policy is to make clear our policy considerations, be transparent as much as possible, and try to be helpful to decision-makers who will have to consider whether they should buy or not buy any property according to their own situation.

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