

Transcript of remarks by FS at media session after passage of Appropriation Bill 2021 (with video)

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after the passage of the Appropriation Bill 2021 today (April 28):

Reporter: Secretary, could you talk about the GDP figure that would be announced next week, because that should be quite impressive? Do you think that is the sign of a real recovery or it's just because of a low base comparison? And do you think the unemployment rate will go lower after that?

Financial Secretary: The advance estimates of the first-quarter GDP will be published next week. We expect this to be a pretty strong growth because of the fact that, number one, the comparison base last year is very low. We registered a contraction of 9 per cent in the first quarter last year. And also, since the middle of last year, although on a year-on-year basis the GDP continued to contract, but on quarter-to-quarter GDP comparison we have seen gradual improvement since the third quarter. Given the pandemic situation now in Hong Kong is pretty much under control, although we still need to be very vigilant, and considering the fact that the external economic environment is also recovering very strongly, no matter it is the Mainland, the US and other Asian countries, we are confident that with the impressive improvement on the trade side and the gradual recovery on domestic consumption, the GDP for the first quarter of this year will give us a relatively strong positive growth.

On unemployment rate, it has come down a bit when compared to the figures released last month – it came down from about 7.2 per cent to 6.8 per cent – but we have to remain cautious. The pandemic situation in Hong Kong is a very important factor. We need to keep this under control and need to be vigilant. On the other hand, it also very much depends upon the resumption of travelling between Hong Kong and the Mainland, and Hong Kong and the rest of the world, because at the end of the day Hong Kong is a very small open economy, domestic consumption alone would not be able to sustain us for strong growth – we need to continue with external trade, we need to have quality tourism to come back. This takes time. Also, in summer there will be graduates from universities. They also need to seek jobs. So we expect the unemployment situation to stabilise, but there may not be marked improvement in the short term.

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