

Transcript of remarks by FS at media session (with photo/video)

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after attending a radio programme this morning (April 12):

Reporter: Mr Chan, just now on the radio programme you said that Hong Kong's budget deficit this year may exceed \$276 billion, your estimation just a few days ago, can you explain why there is such a change in the estimation in just a few days? And also is it because you foresee a further need to roll out more relief measures in the future? And secondly, about the relief package, how will the Government make sure that businesses who apply for government funding will not cut the salaries and ask their workers to take no-pay leave? Will there be any penalties for these businesses and employers?

Financial Secretary: The total package of these relief measures costs more than \$130 billion. When I delivered the Budget at the end of February, I forecasted a budget deficit of close to \$140 billion. This together with the recently announced measures would bring our total deficit to close to \$280 billion. Considering that during economic recession, tax collections and revenue from land sale would inevitably come down, we are of the view that it would be quite possible for the deficit for this year to exceed \$280 billion. That is point number one. Your second point is about....., excuse me?

Reporter: For the relief package, would there be any penalties for businesses who apply for the government subsidy but later cut salaries and also, you know, ask the employees to take no pay leave. Will there be any penalties for them?

Financial Secretary: Over the past few days, we heard the concerns about the scheme from the public, in particular the points that you mentioned, whether the employers while receiving subsidy from the Government would ask their staff to take no-pay leave or take pay cut. These views will be duly considered by the Secretary for Labour and Welfare and also the Policy Innovation and Co-ordination Office. We have heard the concerns and are looking into the implementation details at the moment. These will be duly considered. In designing the scheme, one of the features is transparency, so companies which have applied for such subsidy will be published and with improved transparency, hopefully there would be more accountability and also opportunities for aggrieved employees to raise their concern.

Reporter: Do you have any preliminary ideas about how to tackle the issue?

Financial Secretary: This will be considered by the Secretary for Labour and Welfare, as well as the Policy Innovation and Co-ordination Office because they are in charge of the implementation and are coordinating the implementation details.

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

