

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

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after attending the "Voices from the Hall – Budget Consultation" forum organised by Radio 1 of Radio Television Hong Kong (RTHK) this morning (January 18):

Reporter: For the cash handout, some say that even if it's just a small amount, it would still be better than none at all. Will you consider this as a good move gesture from the government? And my second question is about the relief measures, will the ten new relief measures become a long term financial burden because they are not one-off? Thank you.

Financial Secretary: Thank you. On the cash handout, the community has different expectations. We have heard the suggestion that even a smaller amount would be good because a handout from the government will make people happier. We have heard the views and we will consider it in totality along with other factors. As to the recently announced ten measures by the Chief Executive, those measures are welcomed by the community and we have to find resources to fund them. On the one hand, with a growing economy we will have better revenue income in terms of, say for example, profits tax. On the other hand, in terms of increasing revenue, there may be opportunities for the community to discuss whether we need or we want to broaden the tax base – this is on the revenue side. And on the expenditure side, over the years we have, year on year, rolled out one-off relief measures, be it salaries tax and profits tax rebate, rates rebates or other expenditure items. The total amount ranges from over \$20 billion to over \$60 billion, which is quite a substantial sum. Perhaps some of these may be adjusted to accommodate the funding requirements of some of these measures recently announced by the CE.

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



