

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

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session with the Government Economist, Mr Andrew Au, this afternoon (May 4):

Reporter: Secretary, can you give any forecast when the economy may be able to rebound, given the local COVID-19 situation appears to have, you know, somewhat under control? And also, in light of the latest GDP data, will the Government consider introducing even more stimulus package, cash handouts or other relief measures to help the economy to recover even quicker? Thank you.

Financial Secretary: Thank you. Our economic situation is very challenging. We are deep into recession. In terms of contraction in the GDP, it has been consecutively for four quarters now. If we look back in history, back in 2008 during the global financial crisis, we experienced similarly four consecutive quarters of contraction. Back to 1998 during the Asian financial crisis, there was a five-quarter consecutive contraction. At the moment, the situation in Hong Kong economically is very challenging. Although locally the epidemic situation seems to be under control, but the external environment is still very challenging. Globally, the epidemic is yet to be put under complete control. That will affect our export. That will also affect international traveling and business investment. So, going forward to the second quarter, we believe that even if there is improvement, it will be gradual and small. If we are able to work together, if we can unite together, not just to fight the virus but to stimulate consumption, to promote economic development, I think the economic situation will be able to stabilise somewhat in the second quarter. And if the global epidemic situation improves, we will be able to come out of recession gradually towards the end of this year.

As to your question about whether there will be additional stimulus packages, I will appeal to people's support for us to roll out the various measures in the Anti-epidemic Fund – round one and round two – as well as the relief measures in the Budget as soon as possible. Many of those initiatives are still yet to be implemented. Upon full implementation of those measures, I think the positive impact on the economy would be better felt by the community, and we will be monitoring the situation carefully. If there is a need, we stand ready to roll out additional measures to help our people, to help our businesses. But at this stage, we will be working full steam to roll out all the measures as soon as possible. Thank you.

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