

Transcript of remarks by FS (with video)

Following is the transcript of remarks by the Financial Secretary, Mr Paul Chan, at a media session after attending Hong Kong Disneyland Welcome Party for "Moana: A Homecoming Celebration" this afternoon (May 24):

Reporter: Can you tell us more about the competitiveness of Hong Kong, as it dropped its ranking into number second, today?

Financial Secretary: The World Competitiveness Yearbook has published their ranking this year, and this year Hong Kong has slipped from the previous place one to place two. But we remain to be a very competitive economy because when compared to the one ranking in the first, that is the USA, the scores are very close.

In assessing the competitiveness of the economy, they look at four areas. One is economic performance, second is government effectiveness, the third one is business effectiveness and the fourth one is infrastructure. Our ranking in terms of business efficiency and government efficiency, we still ranked number one.

In terms of economic performance, as you know we did very well last year, but in the US last year President Trump announced cutting profits tax and also boosting investment in infrastructure. So in terms of business sentiment, the business sentiment in the US according to the surveys with the business sectors there, they rank before us.

The second area that we are a little behind is in terms of infrastructure. It is not the usual infrastructure like transportation, but technological infrastructure and scientific infrastructure. As you may have seen in the past two years we have devoted substantial resources in innovation and technology, with a view to improving our infrastructure and the ecosystem. We are working very hard on that. We will continue to invest on that and work very hard to enhance the overall infrastructure of Hong Kong in terms of technology, in terms of attracting people and in terms of building a better ecosystem for the innovation and technology sector.

On economic performance, perhaps one point I should supplement is that our unemployment rate has been coming down – 2.8 per cent – in other words it's full employment. It is not just that. It also reflects a very tight supply in terms of the labour market, and this has, in a way, hurt us in terms of availability of manpower.

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