

## Convenor of ExCo Non-official Members speaks on Budget

The following is issued on behalf of the Executive Council Secretariat:

Following are the remarks by the Convenor of the Non-official Members of the Executive Council (ExCo), Mrs Regina Ip, at a media session on the 2025-26 Budget in the Legislative Council Complex this afternoon (February 26):

Reporter: Does the Executive Council believe that the cuts in measure in this current budget have been enough? Would it be able to lift Hong Kong out of the current deficit that we are encountering now? And the second question, does the city itself need to consider alternate revenue streams to help better balance the books in the long term, as stated by some observers? Will it consider things like sales tax or other forms of revenue increase for the Government? Thank you.

Convenor of ExCo Non-official Members: The Financial Secretary made it quite clear that by the year 2027-28, I think, cumulatively, there will be 7 per cent cuts in Government expenditure. And, the Government will delete 10 000 Government positions and will ask the Director of Audit to discuss with Heads of Departments and Bureaux Directors how to achieve further savings. I think the Government is working very hard to cut back unnecessary Government expenditure. As for sources of revenue, I think it is entirely correct to stick to the "user pays" principle. The Government said that it would consider restoring tunnel fees and will consider charging cross-border private vehicles at land control points \$200 per private vehicle, which is not a new proposal. It was first proposed by then Financial Secretary Anthony Leung back in 2003. And as the Government said, as the Government implements global minimum tax in accordance with the requirement of G20 nations, in the next five years, there will be \$15 billion additional revenue, plus possible revenue after Government has studied the possibility of instituting basketball betting, that sort of thing, to counter illegal online betting. I think the Government is looking at different sources of revenue and also instituting cutbacks of government expenditure, which we fully welcome.

Reporter: In this year's financial budget, civil servants' pay will be frozen and there is an adjustment on the \$2 transport subsidy. What's your opinion on such adjustment?

Convenor of ExCo Non-official Members: I think freezing public servants' pay, including our pay, legislators' pay, is the best option forward in the present circumstances. Cutbacks will have ripple effects on the private sector, and it will affect the labour sector as well. As for the \$2 transport concession, which has been the focus of much public attention, I think the Government measures introduced to make it sustainable are fairly moderate. No impact on the qualifying age of those benefiting from this concession, but would help to resolve the problem of paying very little fare for very long

journeys.

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