

## Remarks by CE at media session in Beijing after reporting to President Xi Jinping (with photos/videos)

Following are the remarks by the Chief Executive, Mr John Lee, at a media session in Beijing after reporting to President Xi Jinping on work yesterday (December 13):

Reporter: President Xi has asked you to seek reforms and new economic momentum, does that mean that you have failed to put forward new ideas in related areas and what will you do to answer his call? The second question is the city will face another looming \$100 billion deficit, is the President concerned about it and will that derail his vision for the city to thrive through innovation?

Chief Executive: I think the President has already made his statement in the meeting with me, which was broadcast in the media, in which he fully recognised the efforts and contributions of myself and my Government. I think that recognition speaks for itself. I am a believer of "there is never the best, only the better". That is also the doctrine advocated by President Xi. In this area, we see things from the same angle. And I have been making reports to him as to how I can create extra synergy, new developments, and also create economic growth for Hong Kong. President Xi, of course, mentioned the importance of integrating into the development of the nation, and I fully agree that our country gives us the greatest opportunities. That is why we need to have a good grasp of all the opportunities we have and then make different policies to realise the potential.

I thank President Xi for recognising our efforts and also encouraging us to continue to govern in the direction which has been recognised not just by the society as correct, but also internationally, as you can see in the rise in rankings in different areas, including Hong Kong's position as a financial centre has risen one position and now is rated as the number three in the world. And our international competitiveness has gone up two rankings and now is ranked number five in the world, so on and so forth. President Xi's recognition, of course, gives strong encouragement to me and to my Government, and we are very thrilled to receive President Xi's recognition, but we will try our best to do even better, because while we thank President Xi and the Central Government for recognising our efforts and trusting us, it is important that we do our best so as to show our gratitude to the caring guidance and the strong support by President Xi and the Central Government.

I have reported in my duty report the economic situation of Hong Kong, as well as the fiscal position of the Government. And I have explained that a series of strategies that will be adopted to ensure that we will eventually make a balanced budget. That may take a few years, but we do have a strategy, and I've explained and that strategy to the Central Government. We will be starting the Budget consultation very soon. The Financial Secretary is

seriously working on a number of possible strategies to ensure that we will eventually make a balanced budget. I would imagine that there will be a lot of good opinions and advice from different sectors. That has been the attitude of the Hong Kong Government to listen as much as possible to the wisdom and experience of the community. And I'm sure that the Financial Secretary will take a very serious attitude to listen to all the different views, and we will eventually strike a good balance. But what is important, I think, in trying to balance the budget is, of course, we will be trying to reduce the expenditure, we'll try to increase income, but we'll do it with a balanced approach so that the society will not be affected too seriously. More importantly, I think government income will be increased if the economy grows, because if businesses can make money and opportunities are more for them to realise their potential, then government income will be more as a result of income tax, as a result of corporate tax. We have been working hard to strengthen the economy of Hong Kong. And we have been, for example, expanding outside Hong Kong, making visits to ASEAN (Association of Southeast Asian Nations), to Middle East, likely later, to Central Asia. And I've been to Latin America as well, during which I witnessed the signing of a FTA (Free Trade Agreement). So we are making all opportunities to ensure that Hong Kong's economic growth will continue and will thrive in that regard. And we are also creating extra growth areas, new growth areas such as what I have described in my Policy Address, building an international gold trading centre, and also to create a commodity trading ecosystem. All these will create extra growth as a result of which I think businesses can make more profits, and then the government's incomes will increase.

Also, I think, Invest Hong Kong, and also our OASES (Office for Attracting Strategic Enterprises), the office which attracts strategic enterprises to come to Hong Kong, has been doing very well. So the number of enterprises registered in Hong Kong is now a record high. And also the strategic enterprises that have been invited to come to Hong Kong will be creating over, say that is a HK\$40 billion investment which will create 13 000 jobs. So all these are growth areas that we are working hard. In due course, I think, enterprises will be making more profits, and the government's expenditure will eventually be balanced by the income we will get more as a result.

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



