

# Transcript of remarks by CS on Budget

Following is the transcript of remarks by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, at a media session at the Legislative Council Complex after the Financial Secretary presented the Budget today (February 26):

The Financial Secretary has just delivered the 2020-2021 Budget. It was not an easy task at all for this year's Budget was prepared against the gloomy backdrop of looming uncertainties in the global economy, the aftermath of local social incidents and the outbreak of novel coronavirus disease.

We expect a budgetary deficit of about \$139 billion, but the current-term Hong Kong Special Administrative Region Government has the courage to make optimal use of public resources, including our fiscal reserves accumulated over the years, to introduce a package of counter-cyclical measures amounting to \$120 billion to support enterprises (especially the medium, small and micro enterprises), safeguard jobs, stimulate the economy and relieve people's burden.

The key measures include the most eye-catching \$71 billion cash handout scheme to provide \$10,000 for each Hong Kong Permanent Identity Card holder to encourage and boost local consumption and relieve people's financial burden.

Other measures to relieve the burden of businesses and individuals include concessionary tax reduction measures, waiver of rates, fees and water and sewerage charges, electricity charge subsidies, an additional month of allowance for social security payments, one-month rental payment for lower income tenants of public housing rental units and more.

The recurrent expenditure for the three key livelihood areas, that is, education, health care and social welfare is expected to exceed \$280 billion accounting for nearly 60 per cent of the Government's total recurrent expenditure or an increase of more than 50 per cent over the past five years. This demonstrates the Government's commitment to address people's needs, nurture talents and protect public health.

When examining the Government's enormous effort to support enterprises, safeguard jobs, stimulate our economy and improve people's livelihood in the fight against the deteriorating external economic and trade environment, local social conflicts and the epidemic, we should also take into full account the four rounds of relief measures costing \$30 billion that have been introduced by the Government since last August, which were followed by over 220 new measures amounting to \$48.7 billion in operating expenditure and \$24.8 billion in capital expenditure announced by the Chief Executive in her 2019 Policy Address last year.

This afternoon, I, as the Chief Secretary for Administration, will chair

the first meeting of the Steering Committee on Anti-epidemic Fund to review the latest progress, implementation framework and timetable of the 24 measures costing \$30 billion to enhance Hong Kong's capacity in combatting the epidemic and provide assistance or relief to enterprises (such as restaurants, retail, travel agents, transport sector, etc.) and members of the public that are hard hit by the epidemic or anti-epidemic measures. We will roll out the measures as soon as possible.

I must highlight that while the deficit will hit an all-time high, almost \$120 billion, this is related to the cash payout scheme and other one-off relief measures which will not incur long-term financial commitments.

I strongly support this year's Budget, and fervently hope that the Legislative Council will pass the Appropriation Bill as soon as practicable so that the measures can be implemented for the benefit of the community.

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