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# Policy Agenda

## Introduction

The overall situation in Hong Kong has been improving continuously after the financial tsunami. During the first half of this year, our economy has grown by 6.3%, with unemployment dropping to the latest low level of 3.2% in June-August this year.

In the past few years, the Government's priorities have been to narrow the wealth gap and support the working-poor households so as to enable everyone to share the fruits of economic prosperity.

The minimum wage policy was formally implemented in May this year following the passage of the relevant bill and approval of the initial statutory minimum wage rate by the Legislative Council. The introduction of a minimum wage can raise the wage levels of low-income workers, which is vital in alleviating poverty. In addition, the introduction of a territory-wide Work Incentive Transport Subsidy Scheme for employed persons from low-income households, the return of fiscal surplus to the public and various relief measures announced in the Budget are expected to be effective in improving the situation of low-income families.

Housing has been a major social issue during the past year. In the face of the rising prices of private residential properties in recent years, people have become increasingly concerned about the challenges to home ownership. A healthy and stable property market is in the

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interest of the community as a whole. The measures introduced last year and earlier this year to increase land supply to tackle the problem at source, combat speculative activities, enhance the transparency of property transactions, and prevent excessive expansion in mortgage lending have been effective. In the long term, we need to ensure an adequate supply of land to solve the housing problem.

Hong Kong is on the right track in its constitutional development. We will endeavour to ensure that elections at all levels are held smoothly to pave the way for democratic development in Hong Kong. We will also make every effort to create a harmonious political environment conducive to economic development and conflict resolution over livelihood issues in order to make Hong Kong a better place to live and work and a peaceful and progressive society.