
IV. Conclusion

Looking with Hope to the Future

169. The delivery of this Policy Address coincides with a time of great challenge and difficulty for Hong Kong. I am mindful of the anxiety of Hong Kong people in all walks of life, and I am also well aware of their expectations of the Government. As I have said earlier today, the recovery of our economy hinges on four factors: an improvement in the external economic environment; a steadying of interest rates; stability in the property market; and the restoration of public confidence. I am optimistic that the measures recently introduced by the Hong Kong Monetary Authority will help to steady interest rates. I believe that our approach to meeting housing needs, together with the series of measures implemented in the past year, will help to stabilise property prices. As far as the external environment is concerned, although we cannot control global trends, nor predict the changes that may occur in the future, the signs are that US interest rates are on a downward trend and the US dollar is softening. The financial difficulties now being faced by global hedge funds have led to increased calls from the international community to impose tighter controls over the use of such funds and to establish a new international financial order. This development will have a positive effect on the stability of Hong Kong's financial markets.

170. The most crucial factor now is our own confidence. Undeniably, Hong Kong faces many problems. But we must not sell ourselves short nor lose confidence. Rather, we should recognise that Hong Kong still enjoys a position which is the envy of many. Our society is free, fair and stable; and we steadfastly uphold the rule of law. Our currency will grow stronger as the measures which we have introduced to improve market regulation take effect. We owe no foreign debt. We have sufficient reserves and a sound banking system. Our user-friendly and up-to-the-second communication networks are efficient and reliable, helping to make Hong Kong the first choice destination for many companies which invest and set up offices in Asia. Our strategic location, heritage and cultural background, together with our extensive experience in working with the Mainland place us in a position unmatched by anyone. Political stability and rapid development in China give Hong Kong a

strong hand in furthering our development. Above all, Hong Kong people remain resourceful, hardworking, forward-looking and dynamic.

I firmly believe that as long as we retain our self-confidence and remain resilient, we will be able to turn crises into opportunities and together overcome the adversities that we now face.

171. Madam President, Honourable Members, during the past few months, as I prepared for this Policy Address, images kept flashing through my mind of our countrymen fighting the terrible floods which swept through China this summer. Natural disasters are the most insuperable obstacles that mankind faces. Yet against all the odds, those battling the flood waters did not retreat, they did not give up and they refused to accept what seemed inevitable. Instead, they stood together and worked to overcome seemingly insurmountable difficulties. Like many in Hong Kong, I feel enormous admiration for the spirit and the courage of our fellow countrymen. As we in Hong Kong face one of the most severe challenges in our recent history, I deeply believe that, if we can show the same spirit of strength, courage, solidarity and concern for our fellow citizens, we will be able to overcome our present difficulties and build a brighter future.