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### **Appropriate Steps to Help Hong Kong through the Economic Crisis Company Directors Commented on Budget**

The Hong Kong Institute of Directors welcomes the 2009-10 Government Budget announced by the Financial Secretary on 25 February 2009.

“The Budget proposals contain appropriate steps to help Hong Kong navigate through the severe global economic crisis”, said Mr Peter S H Wong, Chairman of the Institute. “We particularly support the bold countercyclical budgetary policy adopted by the Government.”

The Institute believes that increasing spending especially in areas that would help sustain employment and growth, and providing measured tax relief would help a hard pressed public weather the downturn. To this end, the provision of \$1.6 billion to create jobs and internship opportunities is especially welcome, and indeed such employment initiatives should be expanded in the coming months should economic circumstances so warrant.

The Institute applauds the initiative to issue government bonds. “Issuing government bonds is a big step in the right direction,” said Dr David Wong, Chairman of the Institute’s Economics and Public Affairs Committee. “Government bonds would help fill a market demand from savers looking for a stable investment vehicle. A more developed bond market would also bolster Hong Kong’s status as a financial center.”

Expanding the network of agreements for avoidance of double taxation is an important step towards enhancing the overall efficiency of our tax system. However, the Institute believes that further steps are necessary to bolster the competitiveness of our tax system, in the areas of group loss relief, loss carry back, and the treatment of import processing and other cross-border manufacturing and trading activities.

“The Government is also correct in promoting technology and knowledge-based industries, and the development of creative industries and green industries,” said Dr Wong. “The development of these new areas of growth should help soften the impact of the severe structural downturn in traditional manufacturing on the economy,” he added.

\*\*\*\*\* The End \*\*\*\*\*

Released by: The Hong Kong Institute of Directors.

The Hong Kong Institute of Directors (“HKIoD”) is Hong Kong’s premier body representing professional directors working together to promote good corporate governance to contribute towards advancing the status of Hong Kong, both in China and internationally. A non-profit-distributing organisation with membership consisting of directors from listed and non-listed companies, HKIoD is committed to providing directors with educational programmes and information service and establishing an influential voice in representing directors. With international perspectives and a multi-cultural environment, HKIoD conducts business in biliteracy and trilingualism. Website: <http://www.hkiod.com>.

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