

(Translation)

The Honourable Mrs Selina Chow Liang Shuk-ye, JP
Chairman, House Committee
Legislative Council
8 Jackson Road
Central
Hong Kong

Dear Mrs Chow,

I understand that the House Committee will discuss the Administration's plan to try out a new arrangement for presentation of the Expenditure Estimates for financial year 2002-03. In the light of concerns expressed by some Members on the matter, I would like to explain more clearly the rationale behind this change to facilitate your discussion.

The practice has been for Secretary for the Treasury to announce our Expenditure Estimates and brief the Finance Committee on the Estimates, on the Friday before the Budget Speech.

Under this arrangement, when we announce the Expenditure Estimates for the year, we do not at the same time provide other essential information such as revenue forecasts, forecast of our fiscal position, and our Medium Range Forecast. Without such other information, some LegCo Members and members of the public may find it difficult to analyse our Expenditure Estimates, and there have been occasions where Members' questions on the Estimates could not be answered until after the Budget Day. We therefore believe it would be useful to try an alternative arrangement this year with a view to facilitating Members' consideration of the Budget.

(Translation)

Our plan to announce the 2002-03 Estimates at the same time as the Budget Speech on 6 March aims to give Members and the public a complete picture in which to understand the relationships among expenditure, revenue, fiscal balance and other relevant dimensions. Secretary for the Treasury and I have proposed to attend a special Finance Committee meeting in the morning of 7 March to brief Members on the key points on the Budget and answer Members' questions.

We are conscious of the importance to give Members sufficient time to study the Budget and prepare their questions for the series of Special FC meetings to be held later in the month. We have therefore proposed to the Finance Committee that the Special FC meetings be held on 25 to 27 March. This will give Members the same number of working days as last year for giving us their questions.

I believe the new arrangement would enable Members to consider the Budget in a more comprehensive manner. My colleagues and I look forward to exchanging views with Members during the special Finance Committee meetings.

I am copying this letter to the Chairman and Vice-Chairman of the Finance Committee. I should be grateful if you could draw the content of this letter to the attention of Members of the House Committee.

Yours sincerely,

signed
(Antony Leung)
Financial Secretary

c.c./...

(Translation)

c.c. Dr the Honourable Philip Wong Yu-hong
The Honourable Ng Leung-sing, JP