

Translation

**Opening Statement of the Acting Chief Executive
12 March 2005**

The day before yesterday, on 10 March, Mr Tung announced his decision to resign. Earlier today, the State Council approved his request and announced its decision accordingly. With immediate effect, Mr Tung has resigned from office.

I have been working with Mr Tung for seven years. Other Principal Officials, too, have worked with him for some time. Over these years, we know very well that Mr Tung has always wholeheartedly and with great passion undertaken his job as the leader of the HKSAR Government. He has always been mindful of the well being of the community, particularly the less fortunate - he visited families of different backgrounds, listened to the concerns of single parents and elderly people living alone, and endeavoured to understand the aspirations of disadvantaged youngsters studying hard for their future. Mr Tung always put the interests of Hong Kong people at the forefront of his administration. Taking care of those in need, and providing them with the necessary aid, has always been one of his major policy objectives.

Since Reunification, Hong Kong has triumphed over one challenge after another. The diligence, perseverance and resourcefulness of our people have certainly played a part. But equally important was the contribution of Mr Tung. He ensured Hong Kong's stability during the transition period, successfully implemented the unprecedented and untested 'One Country, Two Systems' model, led Hong Kong to overcome the Asian financial crisis and promoted the economic integration between the Mainland and Hong Kong which helped hasten our economic restructuring. His contributions to Hong Kong deserve our recognition and thanks.

Today, most people would agree that Hong Kong has regained the momentum to move forward. Mr Tung chose to stay with us and dutifully serve Hong Kong during our most difficult times. He decided to resign only when Hong Kong's development was back on track and

society was stable. This noble act is testament to his loyalty to our country and Hong Kong. I am grateful to him for his selfless leadership over the past seven years, his unswerving efforts for the good of Hong Kong, and even more grateful for the support and trust he showed to me and other colleagues. I believe that although Mr Tung is physically tired, he should be delighted to see that we have survived the most difficult times, and that our economy has started to recover. I wish him all the best and look forward to seeing him contribute to our country and Hong Kong in other capacities.

I would now like to turn to the arrangements following Mr Tung's resignation.

Under Article 53 of the Basic Law, as the Chief Secretary for Administration, I will temporarily assume the duties of the Chief Executive. I have invited all Members of the Executive Council to stay in office until the new Chief Executive is elected and appointed. They have all agreed. All Principal Officials will continue to carry out their duties. As you all know, the operation of the Government is built upon comprehensive laws and a sound civil service system. I can assure you that the Government will continue to operate smoothly and normally. We will ensure effective governance and the continuity of policies, law and order, the smooth operation of the market, and the protection of investor interests.

Our most important task now is to make arrangements for the election of a new Chief Executive. The Chief Executive Election Ordinance clearly spells out the timing of the election. In short, according to section 10(2), if the 120th day after the date on which the office of the Chief Executive becomes vacant falls on a Sunday, that will be the date of the poll; if it is not a Sunday, then we must conduct the poll on the Sunday immediately after. There is no scope to do it sooner or later. Under the present circumstances, as the office of Chief Executive became vacant today, 12 March, we shall conduct the election on 10 July as required by law.

The Chief Executive returned this time will serve a term of two years to complete Mr Tung's term of office. Regarding this issue, we

understand that there are different views in the community. The Secretary for Justice has looked into the matter and exchanged views with Mainland experts, and has researched the drafting history of the Basic Law. The Secretary for Justice has advised that, under Article 53 of the Basic Law, the term of office of the new Chief Executive should be the remainder of the original Chief Executive term. The Executive Council accepts that advice. I shall ask the Secretary for Justice to explain the detailed arguments later. In 2007, we will elect the third-term Chief Executive in accordance with the original timetable. The detailed election methods will be based upon result of our current review of constitutional development. In other words, the review of the methods to elect the Chief Executive in 2007 and to form the Legislative Council in 2008 will go on. It remains our aim that the third-term Chief Executive in 2007 will be elected by an Election Committee that is more representative and has a broadened electorate base. Under the Basic Law, any amendments to the methods of electing the Chief Executive and of forming the Legislative Council will need the consent of the Chief Executive. Therefore, we will consult the newly-elected Chief Executive before publishing the Fifth Report of the Constitutional Development Task Force. If everything goes well, the new Chief Executive will assume office in July. Between now and then, we still have some time. We will extend the period of the consultations concerning the Fourth Report until the end of May. This will allow more time for the community to reach a consensus. We will endeavour to publish the Fifth Report in the latter half of this year, and complete all necessary legislative work before the election of the third-term Chief Executive in 2007.

You can see that transitional measures are already in place. The Government will endeavor to maintain the stability of Hong Kong on all fronts, especially social and economic. This is our responsibility. But we cannot do the job alone. Without the support of the Legislative Council and the community, we will not succeed. Therefore, we will try out best to explain the relevant arrangements to the Legislative Council as well as the general public as soon as practicable. I thank the LegCo House Committee for inviting me to the special meeting next Tuesday, which I will attend. Finally, I hope that all of us will remain positive when facing these changes; cherish the upturn in our economy; and, unite

to ensure the continued development of Hong Kong.

Thank you.