

Panel on Financial Affairs

Meeting on 10 June 2008

**List of inflation-related issues
to which the Administration's response is sought**

- (a) The background and factors leading to the current level of inflation in Hong Kong, the latest development of the inflationary trend and the forecast growth, if any, of inflation in Hong Kong;
- (b) to what extent is the current inflation attributable to the Linked Exchange Rate system; and whether the inflationary pressure on Hong Kong can be alleviated if a more flexible exchange rate policy is adopted;
- (c) the consequences of inflation, notably the general rise in prices, the soaring cost of living, and the impact on people's livelihood and on Hong Kong's overall economic development;
- (d) the policy stance adopted by the Government to deal with inflation, the strategies and action plans, if any, to alleviate the hardship resulting from inflationary pressure on the public; as well as the effectiveness or otherwise of such measures; and
- (e) how inflation in Hong Kong compares with that in other jurisdictions, the approaches taken by other governments to curb inflation and ease inflationary pressure on people's livelihood, and how far overseas experience can serve as reference for Hong Kong