

# International Reserves and Foreign Currency Liquidity

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) released today (Wednesday) the analytical data on the Hong Kong Special Administrative Region's foreign currency reserves and foreign currency liquidity as at the end of September 2018 (Annex). These data are published monthly in the Template on International Reserves and Foreign Currency Liquidity in accordance with the International Monetary Fund's Special Data Dissemination Standard.

The release calendar of the Template on International Reserves and Foreign Currency Liquidity for 2019 is announced below:

Reference Month	Release Date
January 2019	February 28, 2019
February 2019	March 29, 2019
March 2019	April 30, 2019
April 2019	May 31, 2019
May 2019	June 28, 2019
June 2019	July 31, 2019
July 2019	August 3, 2019
August 2019	September 30, 2019
September 2019	October 31, 2019
October 2019	November 29, 2019
November 2019	December 31, 2019
December 2019	January 31, 2020

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At present, four press releases relating to the Exchange Fund's data are issued by the HKMA each month. Three of these releases are issued to disseminate monetary data in accordance with the International Monetary Fund's Special Data Dissemination Standard (SDDS). The fourth press release, on the Exchange Fund's Abridged Balance Sheet and Currency Board Account, is made in accordance with the HKMA's policy of maintaining a high level of transparency. For the month of October 2018, the scheduled dates for issuing the press releases are as follows:

October 5 (Issued)	SDDS International Reserves (Hong Kong's Latest Foreign Currency Reserve Assets Figures)
October 12 (Issued)	SDDS Analytical Accounts of the Central Bank (Analytical Accounts of the Exchange Fund)
October 31	SDDS Template on International Reserves and Foreign Currency Liquidity
October 31	Exchange Fund Abridged Balance Sheet and Currency Board Account

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## LCQ6: Fraud and Money Laundering Intelligence Taskforce and combating trafficking in persons

Following is a question by the Hon Kenneth Leung and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (October 31):

Question:

The Fraud and Money Laundering Intelligence Taskforce (the Taskforce), led by the Police with members comprising representatives from the Hong Kong Monetary Authority (HKMA), the Hong Kong Association of Banks and a number of banks, was established in May last year for a period of 12 months. It has been reported that the Taskforce prepared an alert called Combating Human Trafficking in Hong Kong and the Asia-Pacific Region, but the Police have not published the alert for fear that it may lead to Hong Kong being labelled as a hub for human trafficking. In this connection, will the Government inform this Council:

(1) when the Police will publish the aforesaid alert; of the number and subjects of the assessment reports and alerts which have been issued to the financial sector, and other tasks undertaken, by the Taskforce to enhance the ability of financial institutions in identifying and reporting suspicious transactions involving human trafficking;

(2) of the respective numbers of reports on suspicious transactions related to human trafficking which were received by the Police and HKMA in each of the past five years, and the total amount of money involved; among such cases, the number of those in respect of which law enforcement actions have been taken by the Police, and the respective numbers of persons arrested,

prosecuted and convicted; and

(3) whether it has reviewed the effectiveness of the Taskforce; if so, of the details; whether the Taskforce will become a standing mechanism; if so, of the relevant staffing establishment and the way forward in the work of the Taskforce?

Reply:

President,

With regard to the three questions from the Hon Kenneth Leung, my consolidated reply is as follows.

As an international financial centre, Hong Kong attaches great importance to safeguarding the integrity of its financial systems. To this end, Hong Kong has been implementing anti-money laundering and counter-financing of terrorism measures in accordance with international standards to gather intelligence and detect relevant crimes, and to deter inward and outward flows of illicit funds. In particular, laundering proceeds of crime is a criminal offence. In accordance with section 25 of the Organized and Serious Crimes Ordinance (OSCO), it is an offence for a person to deal with property known or reasonably believed by the person to represent proceeds of an indictable offence. The maximum penalty is imprisonment for 14 years and a fine of \$5 million. The proceeds concerned can also be confiscated.

Drawing on overseas experience, the Commercial Crime Bureau (CCB) of the Hong Kong Police Force (HKPF), in collaboration with the Hong Kong Monetary Authority (HKMA), the Hong Kong Association of Banks (HKAB) and a number of banks, set up in May last year the "Fraud and Money Laundering Intelligence Taskforce" (FMLIT). FMLIT is a pilot project with the objective of establishing public-private partnership to enhance the detection, prevention and disruption of serious financial crimes and money laundering activities through effective sharing of information and intelligence.

The work of FMLIT consists of three aspects, each with particular importance:

(1) Strategy: the senior management of CCB, Narcotics Bureau, HKMA, HKAB and 10 retail banks form the "Strategic Group" to provide strategic directions and set work priorities for FMLIT;

(2) Operations: the investigation units of HKPF and relevant banks form the "Operations Group". In accordance with the strategic risks identified by the Strategic Group and through regular meetings, the Operations Group undertakes tactical intelligence-led operations in a case-based manner and share intelligence; and

(3) Alert: to provide alerts to all banks operating in Hong Kong, to circulate assessments, trend reports and non-sensitive intelligence reports so as to combat crimes and enhance banks' ability to grasp and monitor money laundering activities.

Since its establishment, FMLIT has issued through HKAB a total of six alerts which, drafted by the experts of the bank representatives, included fraud, trade-based money laundering, and illegal bookmaking. As regards the alert entitled "Combating Human Trafficking in Hong Kong and the Asia-Pacific Region" mentioned in the question, it was not prepared by FMLIT as suggested in the question, but was provided to the secretariat of FMLIT by a non-government organisation. After circulation and discussion, FMLIT had reservations about the expression of certain contents, and certain information therein also could not be verified. As only alerts drafted by the expert bankers within FMLIT were issued in the past, FMLIT thus decided that the alert would not be published. The decision had nothing to do with whether it was beneficial to the reputation of Hong Kong, but was simply because FMLIT has all along been pragmatic in being accountable for the contents of documents it publishes. FMLIT will continue to closely monitor the trends and modus operandi of money laundering, and issue alerts in different areas at appropriate times.

The establishment of FMLIT fosters the exchange of intelligence, expedites investigation by law enforcement agencies and enhances the overall capability in detecting money laundering and financial crimes, thereby preserving the reputation of Hong Kong as one of the world's leading financial centres. As at end October 2018, FMLIT has handled 49 fraud and money laundering related cases with the arrest of 100 persons by the Police and interception of crime proceeds amounting to about \$22 million.

Currently, FMLIT is headed by the Chief Superintendent of CCB, and three officers have been internally redeployed from the Police to provide support. A comprehensive review of the FMLIT pilot project based on operational experience will be conducted in November, during which the Police will consider establishing FMLIT as a regular mechanism.

The question also mentions the situation of trafficking in person (TIP). President, although TIP is not prevalent in Hong Kong, the Hong Kong Special Administrative Region (HKSAR) Government attaches great importance to combating TIP, and addresses this evolving issue through a multi-pronged approach.

In order to provide high-level policy steer on the overall strategy and measures to tackle TIP and enhance protection of foreign domestic helpers (FDHs), the HKSAR Government established in March this year a high-level inter-bureau/inter-departmental Steering Committee, chaired by the Chief Secretary for Administration, with the Secretary for Security and the Secretary for Labour and Welfare as Vice Chairmen. Membership of the Steering Committee includes heads of HKPF, Immigration Department (ImmD), Customs and Excise Department (C&ED), Labour Department and Social Welfare Department, as well as representative of the Department of Justice. At the same time, the Government promulgated the "Action Plan to Tackle TIP and to Enhance Protection of FDHs in Hong Kong", which outlined a package of multi-faceted measures that are comprehensive, strategic and targeted. There are more than 30 initiatives covering multiple areas, including victim identification, investigation, enforcement, prosecution, victim protection and support, prevention, and partnership with different stakeholders, etc.

One of the key tasks in combating TIP is to continuously strengthen and improve the mechanism for identifying victims. ImmD first introduced a TIP victim screening mechanism in 2015. The mechanism was gradually expanded to some police districts of HKPF and C&ED in 2016 and 2017. In July this year, HKPF extended the victim screening mechanism to cover all 24 police districts, and C&ED also implemented the screening mechanism departmental-wide. The number of potential victims screened under the mechanism increased by 87 per cent from 2 515 in 2016 to 4 710 in 2017. Only nine persons, i.e. less than 0.2 per cent of all persons screened, were identified as victims in 2017. The result indicated the fact that TIP was not prevalent in Hong Kong.

The Honourable Member's question also refers to suspicious transaction reports (STRs) relating to TIP.

Under section 25A of OSCO, any person who knows or suspects that any property represents proceeds of an indictable offence must make a STR to the Joint Financial Intelligence Unit (JFIU), jointly established by HKPF and C&ED, as soon as practicable. In the past five years, the number of STRs received by JFIU were 32 907 in 2013, 37 188 in 2014, 42 555 in 2015, 76 590 in 2016, and 92 115 in 2017, with a year-on-year increasing trend. JFIU does not keep statistics on the breakdown of STRs relating to TIP. JFIU will conduct intelligence analysis for every STR received, and in accordance with its risk assessment mechanism, assess such factors as the level of suspicion, perceived risk and severity of the intelligence, with a view to referring cases that merit further investigation to the relevant law enforcement agency for follow-up or criminal investigation.

Thank you, President.

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## [Speech by CE at Hong Kong Institute of Architects Tokyo Exhibition “More than High-rise: Exploring Hong Kong through Architecture” in Tokyo \(English only\)](#)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the Hong Kong Institute of Architects (HKIA) Tokyo Exhibition "More than High-rise: Exploring Hong Kong through Architecture" in Tokyo today (October 31):

Marvin (President of the HKIA, Mr Marvin Chen), Vincent (Project Leader of the Exhibition and Immediate Past President of the HKIA, Mr Vincent Ng), Ambassador Matsuda (Ambassador and Consul General of Japan in Hong Kong, Mr Kuninori Matsuda), Mr Rokushika (President of the Japan Institute of Architects, Mr Masaharu Rokushika), distinguished guests, ladies and

gentlemen,

Good afternoon. I'm pleased to be here today for the opening ceremony of the "More than High-rise: Exploring Hong Kong through Architecture" exhibition organised by the Hong Kong Institute of Architects.

As the former Secretary for Development responsible for city planning and buildings, and an honorary member of the Hong Kong Institute of Architects, let me say how happy I am to attend an architecture event during my first official visit to Japan as the Chief Executive.

Incidentally, my last two official trips to Japan were both made during my tenure as Secretary for Development, coming to learn about Japan's urban regeneration and heritage conservation.

Hong Kong has been celebrated for its skyscrapers. However, as this exhibition smartly illustrates, Hong Kong is much more than a vertical city, and certainly not a concrete jungle.

The modern Hong Kong is complemented by reminiscence built heritage such as Wan Chai's reborn tenement building cluster known as the Blue House.

I know this project very well as I was involved in it from the very beginning over 10 years ago. The project not only preserves the unique architecture, but also immortalises the values of neighbourhood, self-help and mutual support that had built post-war Hong Kong. The project has won the Award of Excellence in the 2017 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.

The exhibits also feature another of my pet projects, PMQ, which is the former Police Married Quarters revitalised to become a dynamic arts, design and cultural centre. It has already received over 13 million visitors since its opening in 2014.

While Hong Kong takes pride in preserving historic buildings, we are also proud of our contemporary iconic buildings which have certainly enriched Hong Kong's skyline and cityscape. These include the Hong Kong International Airport, the Kai Tak Cruise Terminal, the Xiqu Centre and M+ in the West Kowloon Cultural District, and the Passenger Clearance Building at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, etc.

I am pleased to let you know that the 28 architects behind the exhibition's disparate offerings are all under 45. I'm confident that our city will continue to offer a vibrant and attractive urban environment for young professionals, both local and overseas, to display their architectural talents.

Abundant opportunities are awaiting us in the fast-emerging Guangdong-Hong Kong-Macao Greater Bay Area, including in our creative industries, from film and design to architecture. These and many other possibilities are open not only to Hong Kong companies, but also to the Japanese companies that

partner with Hong Kong. We certainly welcome you to come and work with us.

Ladies and gentlemen, I hope that this exhibition, and the related architectural forums taking place here in the coming week, will bring talented young Hong Kong and Japanese architects together.

My thanks to the Hong Kong Institute of Architects for organising this exhibition. My thanks, as well, to the Japan Institute of Architects for its support.

I'm confident that the exhibition will be a great success, and I invite you all to enjoy Hong Kong Week in Japan. Thank you very much.

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## LCQ15: Learning of Chinese by non-Chinese speaking students

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (October 31):

Question:

Some ethnic minority (EM) groups have pointed out that learning Chinese can help EM people integrate into society. However, non-Chinese speaking (NCS) students have encountered difficulties in learning Chinese. As a result, their opportunities for further studies, employment as well as upward mobility are limited. The Education Bureau (EDB) has implemented since 2014 the "Chinese Language Curriculum Second Language Learning Framework" to step up the support for NCS students in learning Chinese. Besides, the Chief Executive has announced in the 2018 Policy Address that the Government will introduce new measures to allow NCS students to learn Chinese more effectively. Although the authorities have pointed out that the various support measures are gradually delivering results, and the number of schools which admit NCS students has been on the rise, there are still quite a number of complaints about schools' refusal to admit NCS students. Moreover, as the results generally achieved by NCS students in the subject of Chinese Language in public examinations are unsatisfactory, their rate of admission to local universities through the Joint University Programmes Admissions System is generally lower than that of Chinese speaking students. In this connection, will the Government inform this Council:

(1) of the respective numbers of (i) secondary schools, (ii) primary schools and (iii) kindergartens which admitted NCS students in the past three school years, and set out in the table below a breakdown by District Council (DC) district;

DC District	2015/2016			2016/2017			2017/2018		
	(i)	(ii)	(iii)	(i)	(ii)	(iii)	(i)	(ii)	(iii)
...									
...									
...									
Total									

(2) of the respective numbers of requests for assistance or complaints about the learning of Chinese by NCS students that EDB received in the past three school years from (i) students, (ii) parents and (iii) schools (with a breakdown by type) and the major content of such requests or complaints; how EDB handled and followed up the cases;

(3) as I have received complaints that while most of the EM students, instead of taking the Hong Kong Diploma of Secondary Education (HKDSE) Examination for Chinese Language, sit for the General Certificate of Secondary Education (Chinese) Examination or examinations for other internationally recognised Chinese Language qualifications in which it is easier for them to get higher grades, the various tertiary institutions in Hong Kong have not published clear conversion tables in respect of the relevant academic results, resulting in such students being unable to assess whether their examination results meet the Chinese language proficiency requirements of the institutions, whether the authorities will explore improvement measures;

(4) whether the authorities will, in the long run, commission experts to design a Chinese as a Second Language Curriculum for both primary and secondary levels; if so, of the details; if not, the reasons for that; and

(5) whether the authorities will consider reforming the HKDSE Examination for Chinese Language (e.g. introducing a HKDSE examination paper dedicated for NCS students); if so, of the details; if not, the reasons for that?

Reply:

President,

The Government is committed to encouraging and supporting the early integration of non-Chinese speaking (NCS) students (Note 1) (notably EM students) into the community, including facilitating their adaptation to the local education system and mastery of the Chinese language. In this connection, the Education Bureau (EDB) introduced a series of measures in 2014 to step up the support for NCS students to facilitate their learning of Chinese, including the implementation of the "Chinese Language Curriculum Second Language Learning Framework" (Learning Framework) in primary and secondary schools. The Learning Framework was drawn up in consultation with teachers and language experts and developed from the perspective of second language learners with a view to helping NCS students overcome the

difficulties in learning Chinese. To facilitate the implementation of the Learning Framework and creation of an inclusive learning environment in schools, starting from the 2014/15 school year, EDB has also substantially increased the additional funding to schools to currently over \$200 million per year and provided schools with teaching resources, teacher training and professional support. All public sector schools and Direct Subsidy Scheme (DSS) schools offering the local curriculum which admit 10 or more NCS students are provided with an additional funding ranging from \$0.8 million to \$1.5 million per year depending on the number of NCS students admitted. Schools admitting less than 10 NCS students may also apply for an additional funding on a need basis to offer after-school support programmes in learning Chinese to consolidate what their NCS students have learnt in an immersed Chinese language environment.

With the implementation of the enhanced support measures, the number of primary and secondary schools admitting NCS students has gradually increased from about 590 in the 2013/14 school year to about 620 in the 2017/18 school year, which covers about two-thirds of the schools in the territory. Among them, the number of schools admitting 10 or more NCS students and hence provided with the abovementioned additional funding has increased by about 30 per cent in four years (from 173 in the 2014/15 school year to 228 in the 2017/18 school year) and the number of schools admitting less than 10 NCS students and provided with the additional funding has also substantially increased from 58 in the 2014/15 school year to 213 in the 2017/18 school year. This shows that the new support mode and measures have widened the school choices of parents of NCS students.

As announced in the 2018 Policy Address, the EDB will continue implementing the Learning Framework and monitoring its implementation. Moreover, the EDB will continue commissioning post-secondary institutions to provide school-based support services for kindergartens (KGs), primary and secondary schools admitting NCS students in the three school years from 2019/20 to 2021/22, so as to enhance the professional competency of teachers. In view of the learning needs of NCS students, the school-based curriculum, learning and teaching as well as assessment arrangements will also be adapted with reference to the Learning Framework, so as to allow these students to learn Chinese more effectively. Starting from the 2019/20 school year, the EDB will provide a five-tiered subsidy for KGs joining the KG Education Scheme based on the number of NCS students admitted so that these schools can provide more appropriate support for their NCS students, thereby assisting them in learning Chinese, fostering a diversified culture and building an inclusive environment.

Our reply to the question of the Hon Vincent Cheng is as follows:

(1) The Government ensures that all eligible children enjoy equal opportunities in admission to Primary One and Secondary One of public sector schools under the respective school places allocation systems. KGs are also reminded via channels including circulars and briefing sessions, etc. that their school-based admission mechanism should be fair, just and open, and in compliance with the existing legislation (including the anti-discrimination

ordinances such as Race Discrimination Ordinance) as well as circulars and guidelines issued by the EDB, which include providing application forms in both Chinese and English. The numbers of KGs joining the Pre-primary Education Voucher Scheme/the KG Education Scheme and public sector and DSS primary and secondary schools with NCS students by district from the 2015/16 to 2017/18 school years are tabulated at Annex.

(2) The EDB did not receive any complaints lodged by students, parents or schools regarding NCS students' learning of the Chinese language from the 2015/16 to 2017/18 school years. On the other hand, stakeholders of schools contact the EDB through various means to enquire about different issues or request for assistance from time to time. The EDB will render appropriate assistance to the enquirers with reference to the nature and details of the issues. Statistics on such enquiries are not available.

(3) Eligible applicants, irrespective of their race and language spoken at home, have equal opportunities to be admitted to post-secondary programmes. At present, for NCS applicants who meet the specified circumstances (Note 2), the participating institutions of the Joint University Programmes Admissions System (JUPAS) accept alternative Chinese Language qualifications, including those under the General Certificate of Education (GCE), General Certificate of Secondary Education (GCSE) and International General Certificate of Secondary Education (IGCSE), for the purpose of satisfying the entrance requirement in respect of Chinese Language. Besides, the Applied Learning Chinese (for NCS students) (ApL(C)) of the Hong Kong Diploma of Secondary Education Examination (HKDSE) (Category B) is also accepted. All JUPAS participating-institutions have uploaded the accepted alternative Chinese Language qualifications, minimum grade required, and special requirements for alternative Chinese Language qualifications in respect of individual programmes onto the JUPAS website ([www.jupas.edu.hk/en/page/detail/547/](http://www.jupas.edu.hk/en/page/detail/547/)).

All post-secondary institutions enjoy autonomy in student admission. A merit-based principle is adopted by institutions in the admission of students. At present, institutions can flexibly handle the Chinese Language requirement for NCS students on a case-by-case basis. It is worth noting that applications from local NCS students and other applicants are subject to the same admission criteria. The major factors for consideration include academic performance, non-academic achievements, reference letters by school principals and performance in interviews/tests, etc.

(4) As NCS students regard Hong Kong as their home, it is imperative for them to be proficient in Chinese so as to be competitive in respect of further studies and career pursuits with a view to integrating into the local community. Therefore, the policy intent is to facilitate NCS students' bridging over to mainstream Chinese Language classes. It is not advisable to provide them with a simpler Chinese Language curriculum, which will limit their opportunities for Chinese learning in the long run. To this end, the EDB has developed, from the perspective of second language learners, the Learning Framework based on the mainstream Chinese Language curriculum and input from experts and academics. The Learning Framework has been implemented starting from the 2014/15 school year. With reference to the Learning

Framework, teachers can set progressive learning targets, learning progress and expected learning outcomes in the reading, writing, listening and speaking domains so that their NCS students with diverse learning needs can learn Chinese progressively in a "small-step" approach.

The Learning Framework has been implemented since the 2014/15 school year. It takes time and teachers' effort to take root in schools. The EDB will continue to review the Learning Framework and the implementation of other support measures, and refine relevant measures where appropriate. We understand that learning Chinese is not easy and effective language learning is also based on multiple factors. Besides the curriculum, teaching and learning in schools, learning motivation of NCS students, study skills, time invested in learning Chinese, and parents' cooperation and expectation, etc. are also important factors which contribute to NCS students' mastery of the Chinese language.

(5) At present, the education policy intent is to facilitate NCS students' bridging over to mainstream Chinese Language classes, with a view to facilitating their mastery of Chinese to prepare them for further studies and career pursuits. Students, Chinese speaking or NCS students alike, are required to meet the admission requirements as they apply for programmes offered by local or overseas post-secondary institutions. If a separate paper with simpler contents and lower benchmarks is provided for NCS students in HKDSE (Chinese Language), it is neither conducive to enhancing their Chinese proficiency nor to increasing their opportunities for further studies. In respect of employment, different industries have different language proficiency requirements for their employees. Nevertheless, as Hong Kong is a Chinese society, NCS students have to attain a certain level of Chinese proficiency in the long run in order to stay competitive in the workplace. Similarly, introducing a separate public examination or paper in HKDSE (Chinese Language) for NCS students cannot increase their employment opportunities. Instead, this will possibly delay the problem until the job-seeking stage or even limit their career development in different industries in the future. Therefore, the EDB has no such plans.

On the other hand, in view of the fact that NCS students at senior levels may have learned Chinese for a varying period of time and some NCS students who have a late start in learning Chinese may encounter greater difficulties, starting from the 2014/15 school year, ApL(C) has been introduced at the senior secondary levels to provide NCS students with an additional channel to obtain an alternative Chinese Language qualification to prepare them for further studies and career pursuits. Besides, eligible NCS students (Note 2) are provided with subsidy to obtain internationally recognised alternative Chinese Language qualifications, including those under GCSE, IGCSE and GCE for admission to the University Grants Committee-funded universities and post-secondary institutions.

Note 1: For the planning of educational support measures, students whose spoken language at home is not Chinese are broadly categorised as NCS students.

Note 2: The NCS students concerned are those who meet the following

circumstances:

(a) have learnt Chinese Language for less than six years while receiving primary and secondary education; or

(b) have learnt Chinese Language for six years or more in schools, but have been taught an adapted and simpler curriculum not normally applicable to the majority of students in local schools.

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## [ENB to introduce bill on municipal solid waste charging](#)

The Environment Bureau (ENB) announced today (October 31) that the Waste Disposal (Charging for Municipal Solid Waste) (Amendment) Bill 2018 will be introduced into the Legislative Council (LegCo) on November 14. The Bill proposes to adopt two charging modes, namely "charging by designated garbage bags" and "charging by weight", to implement municipal solid waste (MSW) charging based on the "polluter-pays" principle and the existing waste collection system.

The Secretary for the Environment, Mr Wong Kam-sing, said, "Sitting at the centre of our overall waste reduction strategy is the implementation of MSW charging, which will provide the necessary financial incentives to drive behavioural and cultural changes, and encourage different sectors of the community to cherish resources and proactively practise waste reduction at source as well as clean recycling, thus reducing overall waste disposal. In recent years, the per capita disposal rate of MSW of Hong Kong has been increasing. In 2016, the daily disposal of MSW reached 1.41 kilograms per person, which is higher than those of other major cities. To combat global climate change, it is imperative to promote resources saving as well as waste reduction and recycling in order to reduce carbon emissions and facilitate a transformation to low-carbon living. In Seoul and Taipei City, waste disposal dropped by some 30 per cent in the initial period after quantity-based waste charging was introduced. This demonstrates that a charging scheme can reduce waste effectively."

Mr Wong said the ENB has been consulting the public and the trades for some time in the past on this policy and its implementation arrangements, through public consultation and the extensive public engagement process conducted by the Council for Sustainable Development in 2013, to build understanding of and support for MSW charging in the community. The Government subsequently took on board the views from stakeholders and modified the proposed charging arrangements in October last year by expanding the use of pre-paid designated garbage bags to cover around 80 per cent of MSW disposal. The remaining 20 per cent will be charged by a "gate-fee" based on the weight of MSW disposed. The trades and the public generally find this modified charging mode and mechanism agreeable.

The Government also attaches great importance to further promoting waste reduction and recycling in order to complement the implementation of MSW charging. The Policy Address recently announced that the Government will provide additional recurrent resources to strengthen its work on these fronts. The Government will provide an additional provision of around \$300-400 million for the 2019-20 financial year to start with, which would be further increased to no less than \$800-1,000 million from the financial year when MSW charging is to be implemented. The amount of this annual provision would be commensurate with the estimated gross revenue to be generated from MSW charging, so as to achieve the effect of "dedicated-fund-for-dedicated-use". This means that the revenue from MSW charging will be used to enhance the work relating to waste reduction and recycling.

Mr Wong added, "It is a very challenging task to implement MSW charging. The Government has formulated a pragmatic strategy to implement MSW charging. We will make use of additional resources to strengthen support for waste reduction and recycling work, including the setting up of outreaching teams under the Environmental Protection Department (EPD) to provide on-site assistance to the community, thereby putting waste reduction and recycling and MSW charging into practice; also the provision of a free territory-wide collection service in respect of waste plastics from non-commercial and industrial (C&I) sources and food waste from all sources in the longer run subject to the experiences gained from the pilot schemes on non-C&I waste plastics and C&I food waste, as well as the progress of developing food waste recovery centres in Hong Kong; and implementation of a pilot scheme to assess the effectiveness of applying reverse vending machines in promoting the recycling of plastic beverage containers."

He said that public education and publicity hold the key to the implementation of MSW charging. Starting from now, the Government will further step up public education and publicity to encourage the public to practise waste reduction and recycling, as well as enhance the community's understanding of MSW charging arrangements, so as to facilitate implementation of this important waste reduction initiative. The EPD will launch a dedicated website on MSW charging ([www.mswcharging.gov.hk](http://www.mswcharging.gov.hk)) today to assist different sectors of the community to better understand the details of MSW charging. Promotional videos and pamphlets will be made available later to explain the proposed implementation arrangements of MSW charging and provide detailed and specific information to individual sectors.

The Government will put in place a preparatory period of 12 to 18 months after the passage of the Bill to provide the Government, different stakeholders and the public with appropriate time to prepare for the implementation of MSW charging.

"The implementation date for MSW charging is subject to various interplaying factors. We estimate that MSW charging could be implemented by end-2020 at the earliest. The Government will continue to solicit support from various sectors of the community with a view to facilitating the passage of the Bill and implementing MSW charging to drive behavioural changes as soon as possible, hence achieving reduction of both waste and carbon emissions," Mr Wong said.

The Bill will be published in the Gazette this Friday (November 2) and introduced into the LegCo for first and second readings on November 14.