

# US Dollar Liquidity Facility tender result

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

US Dollar Liquidity Facility tender result:

|                                |                             |
|--------------------------------|-----------------------------|
| Tender date                    | : July 15, 2020 (Wednesday) |
| Settlement date                | : July 16, 2020 (Thursday)  |
| Repayment date                 | : July 23, 2020 (Thursday)  |
| Tenor                          | : 7 days                    |
| Amount applied                 | : US\$100 million           |
| Amount allotted                | : US\$100 million           |
| Lowest interest rate accepted  | : 0.35 per cent             |
| Highest interest rate accepted | : 0.35 per cent             |

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## Interest rate of the second interest payment for Silver Bond Series due 2022

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

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (July 15) the relevant per annum interest rate for the second interest payment of Silver Bond Series due 2022 (Issue Number 03GB2207R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated July 4, 2019 for the Bonds, the second interest payment of the Bonds is scheduled to be made on July 29, 2020, and the relevant interest rate is scheduled to be determined and announced on July 15, 2020 as the higher of the prevailing Floating Rate and Fixed Rate.

On July 15, 2020, the Floating Rate and Fixed Rate are as follows:

Floating Rate: +2.03 per cent (Annex)

Fixed Rate: +3.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the second interest payment is determined and announced as 3.00 per cent per annum.

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## LCQ16: Developing Chinese medicine

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Food and Health, Professor Sophia Chan, in the Legislative Council today (July 15):

Question:

To promote the development of Chinese medicine (CM), the Government has allocated \$500 million to establish the Chinese Medicine Development Fund (CMDf). On developing CM, will the Government inform this Council:

(1) of the total amount of subsidies approved since the launch of CMDf in June last year, with a tabulated breakdown by the names of the projects approved;

(2) given that the Mainland medical sector has launched the traditional Chinese medicine (TCM) health management services for the elderly with TCM constitution identification as the core, and has developed the Four Diagnostic Instrument that collects patients' clinical data through electronic means and continuously monitors the changes in such data, whether the Government will include those projects for developing electronic CM and big data for CM in the funding scope of CMDf; if so, of the details; if not, the reasons for that;

(3) of the respective to-date numbers of applications for subsidies under CMDf which involved online learning of CM received and approved;

(4) whether it will include those projects which apply blockchain technology in logistics control of Chinese medicines in the funding scope of CMDf; if so, of the details; if not, the reasons for that; and

(5) of the progress of the work to include CM information in the Electronic Health Record Sharing System (commonly known as "eHRSS")?

Reply:

President,

The Government announced the establishment of a \$500 million dedicated

fund in the 2018-19 Budget to further promote and facilitate the development of Chinese medicine (CM). We aim to enhance the overall standards of the industry by providing the CM and CM drug sectors with financial support, including nurturing talents for the CM industry and the CM Hospital (CMH), promoting CM-related scientific research, supporting local CM drug traders in improving the quality and standards of production, as well as registering their proprietary Chinese medicines (pCms) in accordance with statutory requirements, and enhancing public knowledge and understanding of CM.

The Food and Health Bureau established an Advisory Committee (AC) under the Chinese Medicine Development Fund (CMDf) to advise and make recommendations to the Government on matters relating to the overall administration and operation of the CMDf. The AC is mainly responsible for formulating the application guidelines and procedures as well as assessment and funding criteria, assessing applications, specifying the terms and conditions for approved applications, and determining the amount of funding to be granted for such applications, etc. Non-official members of the AC are representatives of the sectors of CM, CM drugs, testing and certification, healthcare as well as experts, academics and lay persons with rich experience in business management and public administration. The Hong Kong Productivity Council is the implementation agent of the CMDf and provides secretariat service for the AC to support its operation.

Funding schemes under the CMDf were drawn up after consultation with the CM Development Committee and taking into account the views from the industry. There are two schemes under the CMDf, namely the Enterprise Support Programme (ESP) (A Scheme) and the Industry Support Programme (ISP) (B Scheme). The A Scheme provides matching funds for individual CM practitioners (CMPs) and CM clinics, members of the CM drug industry and CM drug manufacturers/traders to enhance the manufacturing and management qualities as well as support them in registering their pCms in accordance with statutory requirements. The B Scheme provides subsidies for non-profit-making organisations, professional bodies, trade and academic associations and research institutions to organise training programmes and courses to nurture talents needed by the CMH and facilitate the development of CM, conduct applied studies or research on CM, and organise various CM promotional activities, etc. In addition, a CM resources platform has been established under the CMDf to consolidate reference materials on CM and CM drugs so as to provide a variety of resources to facilitate information exchange and development of the industry.

In consultation with the Department of Health, the Hospital Authority and the implementation agent of the CMDf, a consolidated reply to the five parts of the question is set out below.

(1) The CMDf was officially launched in June 2019. Most of the funding schemes under the CMDf have been rolled out in phases. Applications received from the industry are undergoing the vetting procedure. All funding schemes under the CMDf, the application procedures, vetting criteria and information on approved projects have been uploaded to the CMDf website ([www.CMDevFund.hk](http://www.CMDevFund.hk)) for access by the public. The number of applications

received by the implementation agent and the amount of funding approved as at May 31, 2020 are set out in the table below.

|     | Funding Scheme  | Sub-category   | Number of applications                                    | Number of applications approved | Amount of funding |
|-----|---|--|---|---------------------------------|-------------------|
| ISP | CM Industry Training Funding Scheme and CM Promotion Funding Scheme (B1)        |  | 73  | 13                              | About \$9 million |
|     | CM Applied Studies and Research Funding Scheme (B2)                             |  | 83  | 11                              | Over \$10 million |
| ESP | pCm Registration Supporting Scheme (A3)   |  | 382   | 152                             | Over \$2 million  |
|     | CM Personal Training and CM Clinic Improvement Funding Scheme (A1)              | Training Courses recognised under the Qualifications Framework, Training Courses with Assessment, General Training Courses | 100   | 18                              | Over \$1 million  |
|     |   | CM Clinic Improvement Funding Scheme   | 204   | 10                              | About \$140,000   |
|     | pCm Quality and Manufacturing System Enhancement Funding Scheme (A2)            |  | To be rolled out for application by the industry (Note 1) |                                 |                   |
|     | CM Warehouse Management, Logistics and Services Improvement Funding Scheme (A4) |  | To be rolled out for application by the industry (Note 2) |                                 |                   |

**Note:**

1 The implementation agent is currently reviewing applications from service providers and application by pCm manufacturers would be open once the approved list of service providers has been compiled.

2 The implementation agent is finalising the details of the scheme and liaising with the industry on the scheme details. It is expected that the scheme would be rolled out for application by the industry in the second half of 2020.

(2) to (4) The B Scheme provides funding for non-profit-making organisations, relevant institutes/societies, trade associations and universities to organise a variety of CM-related activities such as training courses, workshops and seminars, with a view to addressing the inadequacies of the existing courses in the market and having regard to the development of CM in Hong Kong, in order to cultivate talents, enhance the professional knowledge level and demonstrate standards of good practice in the industry. The B Scheme also provides funding for eligible organisations to organise different activities to promote CM, such as mobile exhibitions, exhibitions,

promotional events, video filming and computer/mobile phone applications development to showcase the latest development of the industry and enhance public knowledge of CM. In addition, the B Scheme covers research projects of different types and scales, such as CM technology applied studies and industry research, to promote the overall development of the industry. Research projects that are conducted by relatively few organisations or are yet to be supported by other funds, such as research on traditional CM, are also covered by the B Scheme.

Taking into consideration the views of the industry and having sought approval from the AC, the implementing agent recommended a list of priority themes as a basis for vetting the applications and resource allocation. The list of priority themes has been uploaded to the CMDF website and will be updated at appropriate junctures in light of the development of the industry. The CMDF schemes have been well-received by the industry. Over 150 applications have been received and the AC has approved some of the applications upon detailed vetting and deliberation. Approved training programmes cover, among others, hospital management, inheritance of traditional CM, clinical application of CM drugs and training on specialised disease treatment, some of which involve e-learning. Approved promotion projects cover on-campus promotion, picture book production, topical conferences and lectures. Approved research projects cover research on the professional certification system of CM pharmacists and persons engaged in CM drug industry, research on the use of CM by the public, clinical research on CM, and research on the processing technology of CM drugs.

On the promotion of electronic medical record system and enhancement of facilities and equipment in CM clinics, the CM Clinics Improvement Funding Scheme (A1-4 Scheme) is set up under the A Scheme to provide funding for eligible CM clinics to enhance their medical record system, improve clinical operations in the areas of safety and hygiene, and provide better quality CM services to the public. The scheme was launched in March 2020. As at May 31, 2020, the implementing agent has received a total of 204 applications, most of which are undergoing the vetting process. Among these applications, 10 applications have been approved with funding involving about \$140,000.

On the improvement of CM drugs logistics, the CM Warehouse Management, Logistics and Services Improvement Funding Scheme (A4 Scheme) is set up under the A Scheme to provide funding for eligible wholesalers and retailers of Chinese herbal medicines (Chm) to purchase related equipment to enhance the efficiency and safety of the handling, storage and transportation of Chm. The implementation agent is finalising the details of the scheme and liaising with the industry on the scheme details. It is expected that the scheme would be open for applications in the second half of 2020.

(5) In July 2017, the Government embarked on the Stage Two Development of the Electronic Health Record Sharing System (eHRSS), which includes broadening the scope of sharable data to cover CM information. The Government has developed a clinical software, namely the Chinese Medicine Information System (CMIS) On-ramp, the key functions of which include patient registration and appointment, access of and contribution to medical records, assistance to

diagnosis and procedures, as well as prescription and dispensing of CM. The CMIS On-ramp helps promote the application of information technology by the industry, improves the quality and efficacy of diagnosis, and facilitates the sharing of CM information on the eHRSS. The Government launched the CMIS On-ramp in the first quarter of this year for CMPs to use on a pilot basis and will collect their feedback afterwards. To encourage CMPs to use the CMIS On-ramp, applications for funding under the A1-4 Scheme will be given priority if the applicants concerned agree to use the CMIS On-ramp. As at May 31, 2020, 107 applications for the CMDF have been received from CMPs under the aforementioned mechanism. We will continue to enhance the CMIS On-ramp. Depending on its implementation and feedback from the stakeholders, we expect to launch a pilot scheme in the third quarter of this year for CMPs to share CM information of patients on the eHRSS.

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## **LCQ5: Professional conduct of teachers**

Following is a question by the Hon Holden Chow and a reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (July 15):

Question:

It has been reported that since the eruption of the disturbances arising from the opposition to the proposed legislative amendments, around 100 primary and secondary school teachers have been arrested for suspected participation in unlawful activities. Also, quite a number of teachers have made hostile remarks on the Internet against the Police and instilled into students the idea of achieving justice by violating the law and hatred-inciting thoughts, but so far no cancellation of teacher registration has been heard of. In this connection, will the Government inform this Council:

(1) of the number of persons whose applications for teacher registration have been refused (with a breakdown by reason) and the number of teacher registrations cancelled by invoking section 47 of the Education Ordinance (with a breakdown by the situation, as set out in that provision, into which the relevant case fell) by the Education Bureau (EDB) since Hong Kong's return to China;

(2) whether the authorities have invoked section 84(1)(m) of the Education Ordinance to make regulations on "the control of the dissemination of information, or expression of opinion, of a clearly biased political nature in schools" since Hong Kong's return to China; if so, of the details; whether they will make the relevant regulation on the control of teachers instilling into students the ideas of secession and achieving justice by violating the law as well as hatred-inciting thoughts; and

(3) given that newly appointed and in-service teachers are required to

complete 30 hours of training within three years of service starting from September this year, and the content of such training covers teachers' professional roles, values and conduct, what manpower and other resources are involved in the relevant training courses, and whether post-training examinations are needed; if examinations are needed, whether EDB will stipulate that teachers may continue teaching only if they have passed such examinations?

Reply:

President,

Over the past year, the social incidents have brought unprecedented impact on and challenges to the whole society including the education sector. Among the people arrested from June 2019 to May 2020 in relation to the social incidents, about 100 of them were staff or teachers of primary and secondary schools and kindergartens. Under the established mechanism, the Education Bureau (EDB) will consider whether a teacher under arrest has misconducted himself/herself and review his/her teacher registration status according to the information available, regardless of whether the teacher concerned is charged and convicted or not. If the teacher concerned is charged and/or convicted, we will trigger action to review his/her teacher registration status in accordance with the Education Ordinance by making reference to the information obtained by this Bureau and referring to court documents after conclusion of the case and completion of appeals.

At the same time, the EDB is handling complaints that are non-criminal but relating to the professional conduct of teachers in a serious manner. From June 2019 to June 2020, the EDB received 222 complaints about suspected professional misconduct of teachers related to social incidents. We have broadly completed the investigation of 180 cases, of which 63 were found unsubstantiated. Regarding the substantiated cases, 17 teachers were reprimanded and another nine were warned in writing as at mid-July this year. The EDB will consider cancelling these teachers' registration pursuant to the Education Ordinance if they misconduct themselves again. We also issued written advice to 19 teachers and verbal reminders to another 15, reminding them to refrain from activities that are detrimental to the image of the teaching profession and be mindful of the behavioural norms generally acceptable to society. For the remaining cases that are likely to be substantiated in our initial view, we are currently waiting for or considering the responses from the teachers concerned in accordance with the established procedures with a view to determining the appropriate follow-up actions.

Our reply to the question raised by the Hon Holden Chow is as follows:

(1) The Education Ordinance empowers the Permanent Secretary of the EDB to refuse to register an applicant as a teacher and cancel the registration of a teacher in the circumstances set out under section 46 and section 47 respectively. Regarding the number of cases, the EDB can only provide figures for the past 10 years at the moment. The EDB handled a total of 585 cases relating to the professional conduct of teachers from January 2010 to

December 2019, of which the registrations of 72 teachers were cancelled. In addition, there were 26 persons whose applications for teacher registration were refused.

As each case had its uniqueness and the teachers or applicants concerned might be involved in more than one of the situations specified in section 46 or section 47 of the Education Ordinance at the same time, the EDB needed to consider all the circumstances of a case before making a decision. Therefore, we are unable to provide a breakdown by the situations set out in the ordinance. Generally speaking, the teachers or applicants concerned were mainly involved in sex-related offences, fraud-related offences or some minor but repeated offences, or had serious integrity problems.

(2) According to section 84(1)(m) of the Education Ordinance, the Chief Executive in Council may make regulations on the control of the dissemination of information, or expression of opinion, of a clearly biased political nature in schools. The Chief Executive in Council made regulation 98(2) of the Education Regulations (Cap. 279A of the Laws of Hong Kong) and as prescribed therein, the Permanent Secretary may give directions in writing or other guidance to the management authority of any school as to the dissemination of information or expression of opinion of a political nature in that school, so as to ensure that that information or opinion is unbiased.

In the past year, the EDB has repeatedly and clearly stated to local schools and teachers through various channels (including issuing guidelines and letters) that schools are places for students to learn and grow and should not be used as the venues expressing political stance or demands. Teachers play a vital role in passing on knowledge and nurturing students' character and their every word and deed have a far-reaching impact on students' growth. We have for many times issued letters or guidelines to remind teachers of the need to display professionalism, uphold their professional ethics, and adopt suitable learning and teaching strategies in accordance with the curriculum aims and objectives set by the Curriculum Development Council. Teachers should guide students to think from multiple perspectives in an objective, rational and impartial manner and to respect different views, and should cultivate students' positive values and attitude without imparting their political views. On the whole, both school sponsoring bodies and school management are able to follow the EDB's guidelines and remind teachers to uphold their professional ethics.

Regarding the complaints against individual teachers suspected of making biased remarks in schools, if inadequacies are identified in areas such as curriculum planning and management, as well as arrangements and supervision of teaching and learning activities in schools during the investigation, the EDB will make recommendations to the schools concerned for improvement. For cases of a serious nature, warning letters will be issued to require the schools concerned to submit plans for improvement. On the whole, upon receipt of the EDB's comments or warnings, schools would generally take appropriate follow-up actions to meet the requirements of the EDB. Therefore, there is no need for the EDB to make additional regulations on top of the existing regulation 98(2) of the Education Regulations.



(3) To facilitate the implementation of the Professional Ladder for Teachers as recommended by the Task Force on Professional Development of Teachers, the EDB has prepared corresponding professional development plans for teachers at different professional development stages (including newly-joined teachers, teachers with experience and teachers aspiring for promotion to middle management), which will be introduced starting from the 2020/21 school year. The training programmes for the newly-joined teachers, in-service teachers and teachers aspiring for promotion will include 30 hours of core training covering teachers' professional roles, values and conduct, education policies and education initiatives in the local context or the Education Ordinance, as well as topics relating to national and international education development. Being the authorities for teacher registration, as well as formulation, implementation and monitoring of education policies, the EDB has the responsibility to provide the related training. Regarding the elective part of the training, newly-joined teachers and teachers aspiring for promotion may select suitable elective programmes based on their individual professional development needs and the needs of school development. As a matter of fact, the EDB has been actively providing a variety of professional development programmes and activities for teachers. As with most education measures, the expenses to be incurred will be subsumed under the EDB's overall staff and operating costs. Besides, we plan to commission teacher education universities and external training providers to offer part of the elective training programmes, and the expenditure will be met by the \$500 million non-recurrent provision allocated by the Government in 2018 for strengthening the professional development of teachers.

The EDB provides various kinds of professional development programmes and activities with a view to promoting the continuing professional development of teachers who are registered and serving at schools. As employers, schools are in the best position to assess teachers through close observation of their teaching and related work performance. The EDB also requires schools to set up a school-based appraisal mechanism to assess the professional competencies and performance of teachers. The professional development programmes and activities provided by the EDB are developmental in nature. Since most of the skills and theories learnt in courses and activities need to be applied subsequently in teaching practices, post-course/activity assessment will not be able to effectively evaluate a teacher holistically.

Thank you, President.

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## **July 2020 issue of “Hong Kong Monthly Digest of Statistics” now available**

The Census and Statistics Department (C&SD) published today (July 15)

the July 2020 issue of the "Hong Kong Monthly Digest of Statistics" (HKMDS).

Apart from providing up-to-date statistics, this issue also contains three feature articles entitled "Hong Kong's Trade Involving Outward Processing in the Mainland of China, 2009 to 2019", "International Comparison Program" and "Foreign Affiliates Statistics of Hong Kong".

"Hong Kong's Trade Involving Outward Processing in the Mainland of China, 2009 to 2019"

Outward processing (OP) activities play an important role in Hong Kong's trade with the mainland of China (the Mainland). Trade of OP nature is mingled with other types of trade under the existing system of recording trade statistics. To better assess the performance of Hong Kong's trade with the Mainland, the C&SD has been conducting monthly surveys to collect data on trade involving OP in the Mainland since 1988. The main objective of the surveys is to separate OP trade from the regular trade. Starting from 2010, additional data on the arrangement for OP in the Mainland was collected in the survey.

This feature article describes Hong Kong's trade involving OP in the Mainland during the period from 2009 to 2019.

For enquiries about this feature article, please contact the Outward Processing and Shipping Statistics Section of the C&SD (Tel: 2582 4889; email: [ops@censtatd.gov.hk](mailto:ops@censtatd.gov.hk)).

"International Comparison Program"

The conventional approach of comparing the GDP and other expenditure aggregates across economies is to convert the values measured in local currencies into a common currency using the market exchange rates. Nevertheless, this approach is subject to the limitation that the exchange rates, which are determined by the demand for and supply of currencies, do not reflect the relative price level differences across economies and are under the influence of a number of extraneous factors. In view of such shortcomings, the International Comparison Program (ICP) was launched to provide a more robust system for meaningful international comparison by means of Purchasing Power Parities (PPPs) data. Results of the 2017 ICP have recently been released by the World Bank.

This feature article aims to introduce the methodology of the ICP and provides some highlights on the results of the 2017 ICP.

For enquiries about this feature article, please contact the National Income Section (1)1 of the C&SD (Tel: 2582 5077; email: [gdp-e@censtatd.gov.hk](mailto:gdp-e@censtatd.gov.hk)).

"Foreign Affiliates Statistics of Hong Kong"

With globalisation of the world economy, it is popular for multinational

enterprises to provide services to customers in another economy through setting up affiliated companies abroad.

In view of the importance of services supplied via this mode, the C&SD has developed a statistical framework for compiling relevant statistics, known as "foreign affiliates statistics (FATS)". This feature article briefly describes the statistical system for compiling inward FATS, and presents selected inward FATS of Hong Kong for 2018. It is an update of similar articles on the same subject published in preceding years.

For enquiries about this feature article, please contact the Trade in Services Statistics Section of the C&SD (Tel: 3903 7410; email: [tis@censtatd.gov.hk](mailto:tis@censtatd.gov.hk)).

Published in bilingual form, the HKMDS is a compact volume of official statistics containing about 140 tables. It collects up-to-date statistical series on various aspects of the social and economic situation of Hong Kong. Topics include population; labour; external trade; National Income and Balance of Payments; prices; business performance; energy; housing and property; government accounts, finance and insurance; and transport, communications and tourism. For selected key statistical items, over 20 charts depicting the annual trend in the past decade and quarterly or monthly trend in the recent two years are also available. Users can download the Digest free of charge at the website of the C&SD ([www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002](http://www.censtatd.gov.hk/hkstat/sub/sp460.jsp?productCode=B1010002)).

Enquiries about the contents of the Digest can be directed to the Statistical Information Dissemination Section (1) of the C&SD (Tel: 2582 4738; email: [gen-enquiry@censtatd.gov.hk](mailto:gen-enquiry@censtatd.gov.hk)).