

Hong Kong ranked fifth in World Competitiveness Yearbook 2020

Hong Kong was ranked fifth globally in the latest World Competitiveness Yearbook (WCY) 2020 published by the International Institute for Management Development (IMD), down from second last year. IMD attributed Hong Kong's lower ranking to a decline in economic performance, social turmoil as well as the rub-on effect of the Chinese economy.

Among the four competitiveness factors in WCY 2020, Hong Kong's ranking in "Economic performance" dropped from 10th to 28th, with the "Domestic economy" sub-factor sliding from 18th to 49th while other economic sub-factors like "International trade" and "International investment" remained unscathed. In addition, Hong Kong's rankings in "Government efficiency" and "Business efficiency" remained unchanged at first and second respectively, and that in "Infrastructure" improved to 14th, indicating that Hong Kong's core competitiveness remains intact.

Among various sub-factors, Hong Kong's ranking remained first globally in "Business legislation". Within the "Institutional framework" sub-factor, Hong Kong's ranking improved from second to first globally in the indicator "Legal and regulatory framework" and from 19th to first in the indicator "Exchange rate stability". These top-of-the-world rankings reaffirm Hong Kong's institutional strengths, particularly in legal and monetary affairs.

Commenting on the lacklustre economic performance and social unrest last year that affect Hong Kong's ranking, a Government spokesperson said today (June 16), "The unprecedented social unrest that has taken place in Hong Kong since June last year dealt a severe blow to inbound tourism, local consumption activities and investment sentiment in the second half of 2019, pushing the economy into recession. The social unrest involving a high level of violence, acts of vandalism and intimidation of people holding a different political standpoint has also affected how Hong Kong was perceived, as certain survey indicators of the IMD report showed that survey respondents were deeply concerned about Hong Kong's social and political stability.

"For Hong Kong to be able to leverage on our competitive advantages, law and order, and social stability are of paramount importance. In view of the emerging threats and organisations advocating 'Hong Kong Independence', it is clear that without adequate safeguards for national security, Hong Kong's stability will be at risk. It is thus critical, essential and urgent for the National People's Congress to take the decision to establish and improve the legal system and enforcement mechanisms for the Hong Kong Special Administrative Region (HKSAR) to safeguard national security from the state level in accordance with the Constitution of the People's Republic of China and the Basic Law. The national security legislation aims to prevent, curb and sanction an extremely small minority of criminals who threaten national security. This ensures the continuous successful implementation of the 'One Country, Two Systems' principle and helps maintain an environment that is

conducive to business and investment, thereby safeguarding the prosperity and stability of Hong Kong."

The spokesperson added, "We must stress that the national security legislation will not affect Hong Kong's high degree of autonomy under 'One Country, Two Systems'. Under 'One Country, Two Systems', our economic integration with the Mainland will bring economic opportunities to us. Our much-valued institutional strengths and core competitiveness will also remain intact: they include the rule of law and judicial independence, open and flexible markets, a simple and low tax regime, an efficient public sector and a favourable business environment with a level playing field.

"The HKSAR Government is committed to enhancing the competitiveness and vibrancy of the Hong Kong economy. Faced with further economic setbacks arising from the COVID-19 pandemic, the HKSAR Government has implemented various packages of initiatives to protect jobs, support enterprises and revive the economy. We will strive to maintain our competitive advantages, and at the same time step up investment in infrastructure, and innovation and technology in order to add growth impetus to our development. Moreover, Hong Kong is poised to be both an active promoter and a beneficiary of important national development strategies such as the Guangdong-Hong Kong-Macao Greater Bay Area and the Belt and Road Initiative alongside the further opening up and deepening of economic reform in the Mainland.

"We have every confidence in Hong Kong's long-term economic development."

[Transcript of remarks by SLW on unemployment statistics and Employment Support Scheme](#)

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, on the latest unemployment statistics and the Employment Support Scheme before attending the Legislative Council Panel on Manpower meeting this evening (June 16):

Reporter: Can you talk about your analysis? How concerned are you with the new unemployment figure? You mentioned that we shouldn't be too pessimistic, why? I hope we have bottomed out already. Second question is that given that the high unemployment rate, is the Government looking into other further immediate measures to help the unemployed, including a subsidy for them?

Secretary for Labour and Welfare: If you look at the just published figures related to the moving average for March to May – the three month's average,

it rises from 5.2 per cent for February to April to 5.9 per cent for March to May. This increase is 0.7 per cent point, which is lower than the increase in the previous announcement. That is, when comparing (the unemployment rate of) January to March with that of February to April, the increase was 1 per cent point. For the last three months (March to May), the increase went down to 0.7 per cent point, which is basically telling us that the unemployment situation has decelerated, basically reduced in its deterioration. In fact, although the increase in unemployment rate looks a little bit grim, when you look at the rate of increase or the reduction of that rate of increase, then the situation is not that pessimistic.

The other set of figures is also very indicative. This is related to the unemployment cases in the Comprehensive Social Security Assistance (CSSA) system. For the last month, when we reported the figures, the increase in April – the number is very surprising because in April the total number of CSSA unemployment cases actually in a month had increased by 24 per cent. But the figure we just released today the increase for unemployment cases for May as compared with April was just 1.4 per cent, which again is telling us that the rate of increase has substantially slowed down.

In fact the more indicative number is the number of new applications for unemployment cases in the CSSA system, the drop in May as compared with April was very substantial – it was 43.5 per cent drop in the number of total applications for unemployment cases in the CSSA system. So the sign is – well, the number is still increasing – but the rate of increase has substantially reduced.

If we look at the Employment Support Scheme (ESS) that we have just launched, the first batch of subsidies given out since the end of last week, we expect most of the subsidies will be delivered within this month. The figures we just announced about May, actually they are indicative that the Employment Support Scheme may have what we call an expectation effect. Because employers are expecting the Employment Support Scheme is coming, and they start reviewing the employment situation, because the condition of the Employment Support Scheme is that the employers, if they apply for this Scheme, have to keep the number of paid staff in June, July and August not less than the number of employees in March. In fact I heard from a number of employers directly that they had planned to recruit starting in May, just to meet that criteria so that they can apply for the ESS.

(Please also refer to the Chinese portion of the transcript.)

CFS announces test results of imported

salmon samples

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department (FEHD) today (June 16) said that in view of recent media reports that the novel coronavirus was detected on chopping boards used for cutting salmon during a COVID-19 case investigation in Beijing, for the sake of prudence, the CFS yesterday had immediately taken 16 salmon samples from import and wholesale levels from different countries, including Norway, Chile, Ireland, Iceland and Denmark, for testing as a precautionary measure. All samples are tested negative for novel coronavirus.

In addition, the Centre has reviewed the recent imports of chilled salmon from various places into Hong Kong by air, and confirmed that salmon sold in Hong Kong are mainly from the United States and European countries such as Norway, while there is no record of import of salmon from the Mainland.

A spokesman for the CFS said that according to current scientific information, there is no evidence indicating that human can be infected by the novel coronavirus via food (including aquatic products). In addition, the World Health Organization and global food safety assessment authorities consider that it is unlikely that the novel coronavirus can be transmitted to human via food. Nevertheless, raw or undercooked aquatic products are high-risk food items, susceptible populations such as pregnant women, infants, young children, the elderly and people with weakened immunity should avoid consuming raw and undercooked foods to minimise the risk of foodborne illness. The spokesman reminded members of the public to maintain personal, food and environmental hygiene at all times, and cook food thoroughly to safeguard food safety.

The spokesman also reminded food workers that they should always keep their hands clean, and frequently clean and disinfect surfaces, especially food contact surfaces in food premises (such as tableware, kitchenware, insulated bags for takeaways, conveyor belts at cashier desks) and high-touch points (such as door handlers, handles of the shopping trolleys and water taps) to ensure environmental hygiene, while social distancing measures should also be adopted. Food workers should cease engaging in any food handling work and seek medical advice promptly when suffering or suspected to be suffering from an infectious disease or symptoms of illness.

Government relaxes social distancing

measures under Prevention and Control of Disease Ordinance

The Government will gazette today (June 16) directions and amendments under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F) and the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G) to extend the social distancing measures in relation to catering businesses, scheduled premises and group gatherings in public places, as well as make appropriate adjustments and relaxations having regard to the latest situation. The measures will come into effect on June 19, 2020 for a period of 14 days till July 2, 2020.

The World Health Organization and health experts advised that the COVID-19 would not be eradicated without effective treatment and vaccination. The Government thus is required to incorporate work in relation to disease prevention and control as well as infection management into the new normal of the daily operation of the society. To this end, the Government has all along adopted the "suppress and lift" strategy and strived to strike a balance among public health protection, economic impact and social acceptance, maintaining the various disease prevention measures while allowing room for gradual resumption of normal operation and activities of the society when the situation permits.

A spokesperson for the Food and Health Bureau said, "As repeatedly emphasised over the past few weeks, we are currently at the 'lifting' phase under our 'suppress and lift' disease prevention strategy. Having regard to the latest public health risk, the Government is of the view that this is an appropriate time to relax the existing social distancing measures to send a clear signal to different sectors of the society that social and economic activities may further resume subject to fulfilment of relevant infection control measures, so as to facilitate the recovery of the local economy."

Following the directions and amendments under Cap. 599F and Cap. 599G, the latest relaxed social distancing measures will be as follows –

Group gatherings (Cap. 599G)

(1) The number of persons allowed in group gatherings in public places will be relaxed from eight to 50. Unless exempted, the prohibition on group gatherings at public places will continue during the abovementioned 14 days.

(2) Group gatherings at catering business premises (such as banquets at those premises) would be exempted from the restriction on the number of persons at group gatherings under Cap. 599G. This relaxation has taken into account the fact that all catering businesses and scheduled premises subject to Cap. 599F are required to follow a series of infection control requirements and restrictions, and that group gatherings at scheduled premises have been

exempted from the restriction on the number of persons at group gatherings under Cap. 599G since May 8.

(3) Having regard to the latest limit on the number of persons at group gatherings, corresponding adjustments will be made to the exempted group gatherings under Cap. 599G.

Catering businesses and scheduled premises (Cap. 599F)

(4) On catering businesses, other than the relaxation measure mentioned in item (2) above, the limit on the number of persons allowed to be seated together at one table will be removed while the number of persons allowed to be seated together at one table in bars/pubs will be increased from four to eight. Other requirements and restrictions on catering business premises will be maintained.

(5) On scheduled premises, the limit on the number of persons at each facility/group/room at these premises will be increased from eight to 16 persons, and the number of persons allowed to be seated together at one table in clubs or nightclubs will be increased from four to eight. Other requirements and restrictions on scheduled premises will be maintained and enhanced based on practical situations.

(6) Live performance and dancing will be allowed to resume at catering business and scheduled premises, but persons working at the premises and performers must wear masks all the time except when there is some form of partition or adequate distancing which could serve as effective buffer between such persons/performers and customers (or for places of public entertainment, some form of partition or adequate distancing which could serve as effective buffer between such persons/performers and customers/the audience).

Details are at Annex.

"The Government will review the various measures in place from time to time in accordance with the development of the epidemic situation, and will make suitable adjustments taking into account all relevant factors," said the spokesman.

Persons responsible for carrying on catering businesses and the managers of scheduled premises that contravene the statutory requirements under Cap. 599F would have committed a criminal offence. Offenders are subject to a maximum fine of \$50,000 and imprisonment for six months.

Separately, any person who participates in a prohibited group gathering; organises a prohibited group gathering; owns, controls or operates the place of such gathering; and knowingly allows the taking place of such gathering, commits an offence under Cap. 599G. Offenders are liable to a maximum fine of \$25,000 and imprisonment for six months. Persons who participate in a prohibited group gathering may discharge liability for the offence by paying a fixed penalty of \$2,000.

Woman sentenced for breaching compulsory quarantine order

A 35-year-old woman was sentenced to immediate imprisonment for four days by the West Kowloon Magistrates' Courts today (June 16) for violating the Compulsory Quarantine of Certain Persons Arriving at Hong Kong Regulation (Cap. 599C).

The woman was earlier issued a compulsory quarantine order stating that she must conduct quarantine at home for 14 days. Before the expiry of the quarantine order, she left the place of quarantine without reasonable excuse nor permission given by an authorised officer and was stopped by staff of the Immigration Department at the Hong Kong-Zhuhai-Macao Bridge Control Point on March 8. She was charged with contravening sections 8(4) and 8(5) of the Regulation and was sentenced by the West Kowloon Magistrates' Courts today to immediate imprisonment for four days.

Pursuant to the Regulation, save for exempted persons, all persons who have stayed in the Mainland, Macao or Taiwan in the 14 days preceding arrival in Hong Kong, regardless of their nationality or travel documents, will be subject to compulsory quarantine for 14 days. Moreover, pursuant to the Compulsory Quarantine of Persons Arriving at Hong Kong from Foreign Places Regulation (Cap. 599E), starting from March 19, all persons arriving from countries or territories outside China would also be subject to compulsory quarantine for 14 days. Breaching a quarantine order is a criminal offence and offenders are subject to a maximum fine of \$25,000 and imprisonment for six months. The Department of Health (DH) solemnly reminds persons under quarantine to comply with the statutory requirements and conduct quarantine for 14 days.

A spokesman for the DH said the sentence sends a clear message to the community that breaching a quarantine order is a criminal offence and that the Government will not tolerate such actions. As of today, a total of 19 persons have been convicted by the court with sentences to imprisonment for up to three months or a fine of \$10,000. The spokesman reiterated that resolute actions will be taken against anyone who has breached a quarantine order.