

Composite Interest Rate: End of March 2020

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

The Hong Kong Monetary Authority (HKMA) announced today (April 22) the composite interest rate at the end of March 2020 (Note 1).

The composite interest rate, which is a measure of the average cost of funds of banks, decreased by 4 basis points to 0.95 per cent at the end of March 2020, from 0.99 per cent at the end of February 2020 (see Chart 1 in the Annex). The decrease in composite interest rate reflected decreases in the weighted funding cost for deposits during the month (see Chart 2 in the Annex) (Note 2).

The historical data of the composite interest rate from the end of the fourth quarter of 2003 to the end of March 2020 are available in the Monthly Statistical Bulletin on the HKMA website (www.hkma.gov.hk).

Note 1: The composite interest rate is a weighted average interest rate of all Hong Kong dollar interest-rate-sensitive liabilities, which include deposits from customers, amounts due to banks, negotiable certificates of deposit and other debt instruments, and all other liabilities that do not involve any formal payment of interest but the values of which are sensitive to interest rate movements (such as Hong Kong dollar non-interest bearing demand deposits) on the books of banks. Data from retail banks, which account for about 90 per cent of the total customers' deposits in the banking sector, are used in the calculation. It should be noted that the composite interest rate represents only average interest expenses. There are various other costs involved in the making of a loan, such as operating costs (e.g. staff and rental expenses), credit cost and hedging cost, which are not covered by the composite interest rate.

Note 2: Since June 2019, the composite interest rate and weighted deposit rate have been calculated based on the new local "Interest rate risk in the banking book" (IRRBB) framework. As such, these figures are not strictly comparable with those of previous months.

FEHD releases Rodent Infestation Rate for 2019

The Food and Environmental Hygiene Department (FEHD) announced today (April 22) that the overall Rodent Infestation Rate (RIR) for 2019 was 4.2

per cent, higher than the figure recorded in 2018 (3.4 per cent). Rodent infestation in public areas in the territory was generally under control.

An FEHD spokesman said, "Apart from 11.7 per cent recorded in Wan Chai District, the RIRs of all other districts were below 10 per cent for 2019.

"The relatively higher RIRs in some districts were mainly caused by poor hygiene conditions at specific spots and rear lanes, including the accumulation of disused articles, indiscriminate disposal of refuse and improper handling of food remnants, which provide food and shelter for rodents. In response to the survey results, the FEHD had already conducted specific rodent prevention and control actions in relevant locations and will continue to enhance rodent prevention and control measures in all districts, including strengthening street cleansing services, eliminating rodents in rear lanes by poisonous baiting, trapping and filling rat holes, encouraging public participation in rodent prevention and control work, and carrying out public health education and publicity on rodent prevention and control."

There is no internationally adopted RIR. When devising the RIR, the FEHD made reference to overseas practices and the actual situation of Hong Kong. The overall RIR is the average infestation rate of the districts during the period. The district RIR assesses the distribution of the rodent problem in public places covered during the surveillance period. The district RIR is divided into three levels. Level 1 (less than 10 per cent) indicates that rodent infestation is not extensive in the area surveyed. Level 2 (between 10 per cent and 19 per cent) indicates that rodent infestation is slightly extensive in the area surveyed, and the FEHD will strengthen rodent disinfestation operations there. Level 3 (20 per cent or above) indicates that rodent infestation is extensive. The relevant government departments will form a joint task force and launch special rodent prevention and control operations to strengthen rodent disinfestation, environmental improvement and cleaning services comprehensively, and promote messages of rodent prevention and control in the community.

The spokesman said, "The district RIRs are not intended to reflect the actual situation of rodent infestation in the individual locations of the district. When conducting rodent prevention and control operations, the FEHD makes appropriate adjustments to the work in individual districts from time to time, taking into account reports from frontline staff and the views of the relevant District Councils and the local community, as well as the district RIR."

The FEHD continues to roll out the territory-wide anti-rodent campaign in two phases this year. The first phase was launched in early January and ended on March 13. The second phase, to last for 10 weeks, will be launched in July. During the campaign period, the FEHD steps up rodent control work and inspections in target areas including markets, municipal services buildings, hawker bazaars, typhoon shelters, lanes adjacent to food premises and other problematic spots and their peripheries to enhance the effectiveness of the overall rodent prevention and control work in the districts and to achieve sustainable results.

In addition, the FEHD will also conduct an eight-week anti-rodent operation in designated target areas in various districts after each phase of the territory-wide anti-rodent campaign this year, during which multi-pronged strategies, including improving environmental hygiene and stepping up rodent disinfestation and enforcement actions, will continue to be adopted to strengthen rodent prevention and control at the district level.

The FEHD has also strengthened co-operation with other government departments and has provided them with technical assistance in implementation of effective rodent prevention and control measures in areas under their purview, which includes conducting anti-rodent operations in designated target areas in more public housing estates by the Housing Department, with the support of the FEHD, to intensify the rodent prevention and control work. The FEHD will also continue to conduct studies and tests on various technologies, such as night vision cameras and thermal imaging cameras, with the aim of enhancing the surveillance of rodent activity and the effectiveness of rodent prevention and control.

The spokesman stressed that effective rodent prevention and control hinges on sustained co-operation between the community and the Government. Apart from enhancing the rodent prevention and control work in all districts, the FEHD will also step up public education and publicity targeting different sectors of the community, including co-organising promotional activities with District Councils, to encourage the public to actively participate in the anti-rodent campaigns and prevent rodent infestation by eliminating the three survival conditions of rodents, namely food, harbourage and passages, meaning the elimination of the food sources and hiding places of rodents, as well as blockage of their dispersal routes.

For more information on rodent prevention and control measures and the RIR, please visit the FEHD website at www.fehd.gov.hk.

LCQ18: Assisting children from grass-roots families in undertaking e-learning

Following is a question by the Hon Charles Mok and a written reply by the Secretary for Education, Kevin Yeung, in the Legislative Council today (April 22):

Question:

In the last school year, the Government launched an assistance programme known as "Provision of Subsidy to Needy Primary and Secondary Students for Purchasing Mobile Computer Devices to Facilitate the Practice of e-Learning"

(the assistance programme) under the Community Care Fund (CCF), to subsidise students to purchase mobile computer devices. One of the conditions for applying for the assistance programme is that students are "studying in schools and classes implementing e-learning and adopting "Bring Your Own Device" (BYOD). However, only about 26 per cent of secondary schools, 22 per cent of primary schools and 18 per cent of special schools had implemented or were formulating measures relating to BYOD in the 2017-2018 school year. Based on such figures, it is estimated that the majority of students have been unable to receive subsidies through the assistance programme. On the other hand, in view of the severe situation of the Coronavirus Disease 2019 epidemic, the Education Bureau (EDB) has earlier extended for several times the class suspension arrangements at schools and recommended that schools should provide students with learning materials through school websites, e-learning platforms, etc. during the period of class suspension, so that students can continue their studies at home. It is learnt that as some grass-roots families cannot afford to purchase computers for their children who are students or pay for Internet access charges, and that they have not received the required technical support, the students concerned are unable to learn at home through e-learning platforms. In this connection, will the Government inform this Council:

(1) of the number and percentage of public schools which implemented the BYOD policy in the past three years, together with a tabulated breakdown by type of schools (i.e. secondary school and primary school) and finance type of schools (i.e. government, aided, caput, Direct Subsidy Scheme, and special schools);

(2) of the respective numbers of students whose applications were received and approved under the assistance programme so far, and the percentage of the number of students whose applications were approved in the total number of students eligible for application, together with a tabulated breakdown by type of schools and finance type of schools (as shown in (1));

(3) whether it knows the respective numbers of grass-roots families which encountered difficulties last year in purchasing computers for their children who were students, paying for Internet access charges, and seeking relevant technical support; given that the majority of students of public schools have been unable to benefit from the assistance programme, how EDB assists them in learning through e-learning platforms;

(4) whether it knows the number of cases in the past three months in which students from grass-roots families were unable to learn at home through e-learning platforms during the period of class suspension, and the relevant details; of the new measures to assist them in undertaking e-learning at home;

(5) whether it will conduct a review of the assistance programme, including studying the following issues: extending the coverage to schools which have not implemented the BYOD policy, setting a target rate of subsidy and a timetable, and assigning the co-ordination work to EDB, with a view to benefitting all students from grass-roots families as soon as possible;

(6) given that the Hong Kong Jockey Club has recently launched, in collaboration with two non-governmental organizations, the "Bandwidth Support for E-learning at Home Scheme" to provide grass-roots primary and secondary students (particularly those who live in subdivided units, old buildings and remote areas and thus do not have access to high-speed Internet services) with free mobile data bandwidth for four months, so that they can undertake e-learning at home during the period of class suspension, whether the Government will consider launching a similar scheme on its own in the future to be run on a regular basis, with a view to providing support for students from grass-roots families in a systemic manner; and

(7) whether it will study the establishment of regional e-learning resource centres in various public libraries and study rooms and the acquisition of the relevant equipment (including WiFi and printers), so that students from grass-roots families can undertake e-learning at such centres?

Reply:

President,

The Government has been promoting information technology in education for over 20 years, providing schools with basic infrastructure and support. Schools have been implementing e-learning to varying degrees according to their contexts. Teachers are adept at utilising the diversified teaching and learning resources available online to support students to learn. The EDB launched the Fourth Strategy on Information Technology in Education (ITE4) in the 2015/16 school year. One of the key measures of ITE4 is to establish Wi-Fi campus by phases for all public sector schools in the territory to facilitate e-learning in class. BYOD refers to students bringing their own mobile computer devices to school for learning on the advice of their schools. It is one of the initiatives for promoting e-learning but not an essential component of e-learning. To cope with the change in teaching mode and achieve the aim of enhancing e-learning effectiveness, schools planning to implement BYOD should give careful consideration to a number of questions, such as scale of implementation involving whole-school or individual levels and subjects, the need of owning a computer device by every student, models and operating system requirements of the device, suitability of full implementation of e-learning inside and outside classroom for young students, potential negative health impact, parents' and students' awareness of the stakes involved, precautionary measures against abuse and problem of Internet addiction. These issues call for careful planning and close communication with parents for forging a consensus. Under school-based management, schools should decide whether it is necessary for them to implement BYOD according to their specific contexts, including pedagogical design, learning characteristics and needs of students, parents' views and other supporting measures (such as enhancing students' information literacy, etc.). By optimising the use of various grants from the EDB, some schools have acquired mobile computer devices for students' use in schools so that e-learning in class is possible without adopting BYOD. Some schools have implemented BYOD to enable more personalised learning. Through the Community Care Fund, the EDB has been providing subsidy to needy primary and secondary students from schools implementing BYOD to purchase mobile computer devices since the

2018/19 school year. The application for this school year has originally closed. In view of the fact that many schools have attempted to continue with teaching via electronic platforms amid the COVID-19 outbreak, the EDB will handle new applications submitted by schools for their needy students flexibly. Apart from keeping school premises open, schools are actively supporting students to learn at home during class suspension by various means, such as lending mobile computer devices to students and helping them apply for relevant assistances.

Our reply to the Hon Charles Mok's question is as follows:

(1) As mentioned above, schools may decide whether to implement BYOD and to which levels of study and subjects will BYOD be implemented based on their contexts. The EDB does not maintain formal statistics on the number of schools implementing BYOD and the percentage of these schools in the total number of schools. The percentages of "schools (that) had implemented or were formulating measures relating to BYOD" quoted in the question are from the findings of the questionnaire survey on information technology in education conducted in the 2017/18 school year targeting mainly public sector schools which had completed the enhancement works of their Wi-Fi campuses. Taking part in the survey is voluntary. The percentage of school respondents in the total number of public sector schools varied in the past few years, not reflecting the full picture and the changes between school years.

(2) Public sector schools (including government, aided, caput and DSS schools) that implement the BYOD policy can participate in the "Provision of Subsidy to Needy Primary and Secondary Students for Purchasing Mobile Computer Devices to Facilitate the Practice of e-Learning" (the assistance programme) to purchase appropriate mobile computer devices and accessories for eligible students (Note 1) according to their needs. After completing the procurement procedures, schools will submit a report to the EDB for determining the funding required. About 190 primary and secondary schools participated in the assistance programme in the 2018/19 school year. The number of student beneficiaries is set out below:

Type of Schools	Number of Student Beneficiaries in the 2018/19 school year		
	Government Schools	Aided Schools (Note 2)	Total
Primary schools	18	5 512	5 530
Secondary schools	191	7 665	7 856
Special schools	Not applicable	470	470
Total	209	13 647	13 856

In the 2019/20 school year, so far there are about 270 primary and secondary schools participating in the assistance programme. The number of student beneficiaries will only be known after schools complete the

procurement procedures and submit a report to the EDB.

e-Learning is a form of learning and teaching. Schools can decide whether adopting BYOD or not according to their contexts. As a matter of fact, some of the schools implementing BYOD have not participated in the assistance programme because they have offered school-based support to students having regard to their financial needs.

(3) and (4) The Government has all along attached importance to the learning needs of students, and has implemented various measures to support the e-learning of students from grass-roots families. Apart from the CCF assistant programme stated above that subsidises students to purchase mobile computer devices, other measures include the disbursement of subsidy for Internet access charges to eligible families by the Student Finance Office of the Working Family and Student Financial Assistance Agency and the Social Welfare Department, providing support for students from grass-roots families to subscribe to basic Internet plans provided by operators of fixed or mobile telecommunications services. The rate of the subsidy is adjusted regularly with reference to prevailing market prices of Internet access services.

e-Learning is only one of the many diversified modes of learning. During the period of class suspension, primary and secondary schools can make use of different modes of learning, such as e-learning, to help students continue their learning in an appropriate and systematic manner. As far as we know, for students who are unable to undertake Internet learning due to the lack of the necessary equipment (such as computers), schools have been actively providing support, for example, by lending them the necessary equipment for use. Homework assignments and worksheets are printed and mailed to students or collected by parents in schools according to their actual needs. All these measures can facilitate students to achieve the goal of "suspending classes but not suspending learning" at home.

(5) and (6) Ever evolving and diversified in nature, e-learning is an open and flexible mode of learning. There is no so-called best practice or standard which schools should follow. Since schools are at different stages of e-learning, they may participate in the assistance programme after taking into account their own policy, timetable and resources for implementing BYOD. As regards of the implementation of the CCF assistance programme, the EDB is closely monitoring its effectiveness, with a view to drawing up measures to provide continuous support on e-learning to needy students. During its implementation, we will continue to flexibly process schools' applications so as to meet the needs of students.

The EDB has been providing various types of support for students from needy families, such as textbooks, extra-curricular activities and exchange activities and continuous adjustments to the mode and strength of support are being made. This also applies to e-learning. The EDB will continue to maintain communication with schools and will conduct timely review and make corresponding adjustments to the support that students need.

(7) The Leisure and Cultural Services Department currently provides over 1 900 computer workstations for public use in 70 static libraries. Connected to

the Internet and printing facilities, these computer workstations allow the general public, including students, to browse the libraries' multimedia and digitised resources, e-books, online databases and other online resources for seeking of information, leisure reading and self-study, as well as facilitate students to conduct e-learning. In addition, a total of 30 libraries are equipped with Computer Information Centre/Area, providing commonly-used computer application software, printing and document scanning services, etc. Moreover, free Hong Kong Government Wi-Fi service (Wi-Fi.HK) is available at all static public libraries (including their Students' Study Rooms).

The aforementioned measures aside, the Government subsidises about 171 study rooms and youth service centres operated by non-profit-making organisations to provide free Wi-Fi service and endeavours to enhance the service level of "Wi-Fi.HK". The average connection speed of "Wi-Fi.HK" hotspots at the aforesaid facilities exceeds 20 Mbps, which is sufficient to meet general e-learning needs. Relevant government departments conduct regular reviews of the connection speed and usage of Wi-Fi service at government venues. If necessary, adjustments will be made to the bandwidth and number of hotspots at the venues to ensure the quality of Wi-Fi service.

Note 1: Eligible students refer to those students receiving the Comprehensive Social Security Assistance from the Social Welfare Department or full grant/half grant of the School Textbook Assistance Scheme from the Student Finance Office of the Working Family and Student Financial Assistance Agency.
Note 2: Aided schools also include local schools under DSS and caput schools.

[Transcript of remarks by CE at media session](#)

Following is the transcript of remarks by the Chief Executive, Mrs Carrie Lam, at a media session today (April 22):

Reporter: Hi, Mrs Lam, I have three questions. Since the unrest in last June broke out, what took you so long to re-shuffle the cabinet? Is there a difficulty in convincing the Central People's Government? Will there also be a change in the Executive Council, as well as whether you can confirm that the terms of the Secretary for Justice and Secretary for Security will serve the entire term? My second question concerns with the breaking of the past practices because for Mr Patrick Nip, he left the civil service to join as a political appointee in the beginning of this administration, is there somehow a political mission or task for him to handle the civil servants because there are some criticisms about, say, political neutrality of some of the civil service unions and those who support the pro-democracy movement. Is this some of the task for him to become the Chief Secretary as once many has speculated? My final question concerned was Mr Tsang. Of course, there are

people who come from different backgrounds but he seems to be the first one to be tasked with the very important ministerial positions as the Constitutional and Mainland Affairs Secretary. Can you explain to the public perception on why are you appointing someone who put the plate with President Xi's portrait in his office? Is it because of his ties and being trusted by Beijing, by the Central People's Government, that's why he earns this position? Thank you.

Chief Executive: Thank you very much for the four questions. I am afraid that several of the questions are based on presumptions. First of all, you presumed that as a result of last June's social unrest, there was a need for re-shuffling of the political team. I never have that sort of plan and that's why it was not correct to say that it has taken so long because the exercise of trying to change a number of Principal Official positions did not start from that date. It has to do with what I have just outlined that Hong Kong is in a very difficult situation now, apart from the pandemic, we are going into a major economic recession with high unemployment and so on. We really need to start immediately to plan for Hong Kong's economic recovery, especially in the several sectors which we attach importance to, and that is Hong Kong's financial services, Hong Kong's innovation and technology, Hong Kong's professional services and creative industries and the many opportunities that will be available to Hong Kong under the Guangdong-Hong Kong-Macao Greater Bay Area.

The second question is about the Executive Council. Unlike Principal Officials, Executive Council Members are appointed by the Chief Executive. They are my most senior advisers. They will continue to be my senior advisers. Your, sort of, part two question is asking me to guarantee or to confirm the term of individual members of the team or even individual members of the Executive Council. This is something that I would not do. I have learned from the lesson that never say never. Hong Kong is facing some very unprecedented situations and the best way for the Chief Executive is to monitor the situation closely and to make the best decisions for Hong Kong as and when necessary.

The third question is a question that I was expecting because I have been meeting all my Permanent Secretaries this morning and tried to explain and assure them that although Patrick Nip has left the civil service in 2017, there should be no doubt that he was a very senior experienced civil servant, having served in the civil service capacity for over three decades before he accepted my invitation three years back to resign from the civil service and join the political team. In terms of the spirit of the design of the political accountability system, which is to try to find somebody who is very familiar with the civil service, who knows the core values and integrity of the civil service in order to discharge his role and functions, I'm very confident, and I hope my senior civil servants are likewise very confident that Patrick will be able to do a very good job. There should be no worry about the so-called "other political missions" given to Patrick or his own aspirations. Every Principal Official in his or her present position only has one mission, and that is to serve faithfully the interests of Hong Kong and to ensure the comprehensive and accurate implementation of 'One Country, Two

Systems' in Hong Kong.

Finally about Erick, in this term of Government, I have been advocating innovation; that is, not doing things in exactly the same way, otherwise it becomes inertia, we just follow the tradition and keep on doing things the same way. So there will be occasions of, "Oh, this thing has never been done, Chief Executive." So you are right, your observation is correct. Erick is, perhaps, the first head of a disciplinary service who has taken up this position or in fact any Principal Official position except the Secretary for Security and the Commissioner of ICAC and my own director in the Chief Executive's Office. But my short answer is there's always a first to everything. If we find the right person, then we should not be inhibited by this convention and not to go for the best option. With his very extensive experience in managing a very big department called Immigration Department, and the department is not just a disciplinary service department, but is serving the people of Hong Kong day in and day out. You look at all these immigration issues, registration of persons, issue of travel documents and change of ID card for the whole population; these are very people-oriented activities and the director had done very well in all these aspects and he has also very extensive experience in Mainland Affairs. So even from that very objective perspective, I think he is a very suitable candidate.

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

US Dollar Liquidity Facility

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

The Hong Kong Monetary Authority (HKMA) announced today (April 22) the introduction of a temporary US Dollar Liquidity Facility (the Facility) to make available US dollar liquidity assistance for licensed banks.

Amid considerable volatilities and uncertainties in the global financial markets brought about by the spread of COVID-19, the HKMA uses the funds obtained through the United States Federal Reserve's (Federal Reserve) FIMA Repo Facility (Note) to introduce the Facility to help alleviate tightness in the global US dollar interbank money markets.

A total of US\$10 billion is currently available under the Facility. US dollar liquidity will be provided to licensed banks through competitive tenders in the form of repurchase transactions for a term of seven days, settled on the day following the tender. Starting from May 6, 2020, the HKMA will conduct a tender every week (normally on Wednesday). In each tender each bank may submit one valid bid, which must be at least US\$100 million and an integral multiple of US\$100 million. The HKMA will contact the banks with successful bids to confirm and arrange transfer of eligible assets as

collateral to the HKMA. Allotments are subject to successful transfer of collateral to the HKMA and successful transfer of US dollar liquidity from the Federal Reserve to the HKMA. Tender notices and tender results will be published on a designated page on the HKMA website. The names of banks participating in the tenders or those allotted with funds, and individual allotment amounts will not be disclosed.

The HKMA may at any time revise any of the parameters of the Facility as necessary, taking into account factors such as market conditions and the use of the Facility. The HKMA's intention is to maintain the Facility until September 30, 2020, and will make a separate announcement if the end date changes.

Note: Details can be found on the Federal Reserve's announcement about the [FIMA Repo Facility](#).