

LCQ6: Supplies of anti-epidemic items

Following is a question by the Hon Lam Cheuk-ting and a reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (March 18):

Question:

Due to the rampant novel coronavirus epidemic, face masks are in acute shortage. As indicated by the Chief Executive, the Government has, apart from conducting an open tender exercise, adopted a multi-pronged approach to procure face masks worldwide. It has contacted more than 400 suppliers from nearly 20 countries, but the procurement efforts have not been very successful. In view of this, government personnel must meet several criteria (including being sick, being frontline officers or going to crowded places) before they are allowed to wear face masks, with a view to economising on the use of face masks. Those who do not meet the criteria are not allowed to wear face masks, and they are required to take the face masks off even if they are wearing one. Some members of the public have pointed out that the authorities have serious inadequacies in the reserve and supplies of anti-epidemic items such as face masks, causing immense anxiety and panic purchases of such items among members of the public. Some of them even queued up overnight to buy face masks. In this connection, will the Government inform this Council:

(1) of the quantities of anti-epidemic items in the Government's stock, the number of months that such quantities may meet the consumption by public officers, healthcare personnel and members of the public, as well as the changes of such quantities, on the day of January 23 this year when the Mainland authorities announced the lockdown of the Wuhan City and on each day thereafter;

(2) whether it has established a mechanism for the reserve of anti-epidemic items such as face masks; if so, of the details of the mechanism, including the reserve quantity of each type of such items, and the number of months of consumption by public officers, healthcare personnel and members of the public based on which such quantities have been determined; if it has not, of the reasons for that and whether it will establish such mechanism; and

(3) of a breakdown, by name of country, of the number of suppliers which the Government has contacted, the number of face masks ordered and the number of face masks already delivered to Hong Kong (set out in a table); whether it has reviewed the reasons why the Government's efforts of procuring face masks worldwide have not been very successful; if so, of the review outcome and the improvement measures, including whether it will enter into regular procurement agreements with suppliers of anti- epidemic items so as to ensure stable supplies of such items?

Reply:

President,

After consulting the Food and Health Bureau (FHB), the Commerce and Economic Development Bureau (CEDB) and the Government Logistics Department (GLD), our reply to the three parts of the Hon Lam Cheuk-ting's question is as follows:

(1) and (2) I wish to make clear at the outset that the GLD is responsible for the procurement of masks for use by government departments to maintain services to the public. The Hospital Authority (HA) is not a government department and procures masks on their own. The Government and the HA have maintained a stockpile of masks to meet contingency needs. However, generally speaking, the stock will not be directly supplied to the public.

As far as masks procured by the GLD are concerned, the GLD maintained a regular stock of 10 million masks by virtue of the Government's preparedness and response plans for infectious diseases. As the average monthly demand for masks by government departments was normally about 1.1 million before the outbreak, the stock should have been sufficient to support the operational needs of government departments for more than half a year.

In light of the development concerning the disease, the amount of masks used by government departments has multiplied. Following the GLD's stepping up of procurement efforts, the current stock of masks is sufficient for the operational needs by various government departments for about more than two months, based on the broad estimates. In order to rationalise the use of masks within the Government, internal guidelines have been issued to Heads of Departments, with a view to according priority to front-line staff participating in quarantine-related work, execution of quarantine orders (including medical and port health staff of the Department of Health) and maintenance of essential public services. The Government also requires departments to keep their use of masks distributed by the Government to a minimum. Government departments will provide suitable personal protective equipment (PPE) to their staff based on actual operational needs.

As for the HA, before the outbreak of the disease, their target level of PPE stockpile was three months of usage. In light of the development concerning the disease, the HA has seen a sharp increase in the amount of PPE used. As at March 13, 2020, the stock of surgical masks at the HA is sufficient for use of about two months, while that of N95 respirators is sufficient for about one month. The HA has already expedited procurement procedures to replenish the PPE. Public hospitals will also step up the control of stock and remind healthcare staff on the appropriate use of PPE.

In general, masks procured and stored by the Government are not supplied to the public. Nevertheless, as we see a supply crunch for masks, the Government considers it necessary to dedicate extra care to some groups in the society for their need on masks. For example, the Government announced at an earlier juncture that the 700 000 additional masks produced by the Correctional Services Department would be set aside for distribution to cleansing workers engaged by government contractors, in order to relieve the

imminent needs; the Government would also provide 1 million masks through the Social Welfare Department to residential care homes for elderly and residential homes for persons with disabilities, so as to support their continuous operation. In addition, the Government has passed all of the masks donated by private and charitable bodies to non-governmental organisations, for their distribution to the elderly and other underprivileged communities who are in need. This was done as an endeavour to share relatively scarce resources with the community so we can fight the disease together. The Government has to date given out more than 3 million masks. As announced by the Chief Executive on March 17, considering that many Hong Kong students in the United Kingdom and the United States of America are encountering difficulties in purchasing masks, the Government has arranged 67 000 masks to be distributed through airlines to passengers of Hong Kong residents who are returning to Hong Kong from the two countries.

(3) Since early January, the GLD has been adopting a multi-pronged approach to source PPE globally through all possible means and channels. In view of emergency needs, the GLD adopts direct procurement, i.e. through directly approaching suppliers to place purchase orders and bypassing normal tendering procedures. In parallel, the GLD sources the items on the referral of our overseas Economic and Trade Offices, Invest Hong Kong and individuals, with a view to procuring PPE in the greatest quantities within the shortest possible time.

The GLD has contacted more than 600 suppliers from all over the world. So far, over 10 million of the masks ordered have been delivered to the GLD. Owing to the worldwide shortage and upsurge in demand for masks, there have been cases in which our orders for masks were snapped up by other buyers before delivery and export, notwithstanding our partial or full payment. We have also encountered cases in which the relevant jurisdictions imposed sudden export controls, leading to suppliers cancelling the transactions and non-delivery of the masks. As such, the procurement of masks remains a great challenge.

In an endeavour to increase the supply of masks on the market, the Government has been following up on proposals to increase local production. The Local Mask Production Subsidy Scheme under the Anti-epidemic Fund (the Fund) will provide subsidies to facilitate the establishment of surgical mask production lines in Hong Kong, so as to address the shortage situation and build up reserve stock. We have also earmarked \$800 million under the Fund to enable technology applications in relation to mask reusability to cater for the needs of the community.

To conclude, our current top priority is to maximise procurement of masks and other PPE as needed for disease prevention. The GLD will enhance the planning and methods used in procurement, and will consider the use of standing procurement agreements for PPE so as to meet the Government's needs in disease prevention.

Thank you, President.