

# Production line quota under Local Mask Production Subsidy Scheme fully allocated

The Commerce and Economic Development Bureau announced today (April 24) that it has approved the remaining seven production lines (involving six applications, see Annex for details) under the Local Mask Production Subsidy Scheme. Given the approval of 13 production lines earlier, the quota of 20 production lines under the Scheme has been fully allocated.

The Secretary for Commerce and Economic Development, Mr Edward Yau, said, "The Government launched the Scheme under the Anti-epidemic Fund to facilitate local production of masks in order to stabilise supply and to build up stock to meet the needs of the Government and the community. The Scheme opened for applications on March 2, and the production line quota has been allocated in less than two months. We are also pleased to see the positive response and the Scheme has attracted many manufacturers to produce masks locally under the Scheme.

"The Scheme has reached a significant milestone, and we have, through the Hong Kong Productivity Council, provided all approved applicants with a copy of the funding agreement and will sign the agreement with individual companies successively. Meanwhile, most of the approved applicants are obtaining certification for the masks produced in order to commence supply to the Government as soon as possible."

Among the approved applicants, the Hong Kong Productivity Council has confirmed that two companies have just obtained laboratory reports from accredited laboratories certifying that the masks they respectively produce comply with the ASTM F2100 Level 1 standard. Once the Government signs the funding agreements with these companies and has confirmed that they meet other relevant requirements, they are expected to gradually supply masks to the Government from May.

Other approved production lines will successively commence full production and supply the Government later. The target production and supply dates of some of the applicants are delayed because, owing to the global shortage of masks, enterprises in many places have flocked to establish mask production facilities and have recently sent their mask samples to accredited laboratories outside Hong Kong for certification, resulting in a longer-than-normal lead time for certification. Taking these objective circumstances into consideration, in accordance with the application guide, the Government will allow those approved applicants who are still waiting for such certification and are unable to begin supplying masks to the Government by the target commencement date to apply for an extension of up to one month.

According to the Scheme, after the masks produced by a subsidised

production line have obtained the relevant certification, the production line must supply 2 million masks to the Government each month before it could sell the excess to the local market, and the masks must not be exported. During the entire term of the agreement, the fact that the Government has provided a subsidy should not be used to solicit business in any way.

On the supply of children's masks, Mr Yau said, "There exists a need for children's masks within the Government, such as in the Education Bureau and the Department of Health. As such, among the 20 approved production lines, the Government will invite the five applicants approved for two production lines to submit proposals on dedicating their second production line to manufacture masks for children. The Government will designate one production line for children's masks based on factors including the production capacity, the date of supply and the price proposed by the companies concerned. The other 19 subsidised production lines will continue to produce masks for adults."

The Government estimates that, when all the 20 subsidised lines are in full production, every month they will collectively supply 34.55 million masks to the Government and supply a further 8.15 million to the local market.